



INTERIM CONDENSED FINANCIAL REPORTING
for the period 01 January 2017 to 30 June 2017
(in accordance with Article 5 of Law 3556/2007)

Companies Register No : 41913/06/B//98/32

General Commercial Reg. No. 58240404000

127 Egnatias St - 54635 Thessaloniki

INTERIM CONDENSED FINANCIAL REPORTING
FOR THE PERIOD 1 JANUARY 2017 - 30 JUNE 2017
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is hereby certified that the attached interim condensed financial report is the one approved by the Board of Directors of the "**THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.**" on 28 September 2017 and has been published by posting it 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 HALF-YEAR FINANCIAL REPORT

1.	GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP.....	21
2.	BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS	22
3.	SEGMENTAL REPORTING	25
4.	TANGIBLE AND INTANGIBLE ASSETS	27
5.	INVENTORIES	28
6.	TRADE AND OTHER RECEIVABLES	28
7.	CASH AND CASH EQUIVALENTS.....	29
8.	SHARE CAPITAL	29
9.	PROVISIONS FOR EMPLOYEE BENEFITS	30
10.	PROVISIONS FOR CONTINGENCIES AND EXPENSES.....	31
11.	TRADE AND OTHER LIABILITIES	32
12.	SHORT-TERM TAX LIABILITIES	32
13.	INCOME TAX	32
14.	EARNINGS PER SHARE	33
15.	TRANSACTIONS WITH RELATED PARTIES	34
16.	COMMITMENTS FROM CONTINGENT LIABILITIES.....	34
17.	NUMBER OF STAFF EMPLOYED	35
18.	MAJOR EVENTS	35
19.	EVENTS OCCURRING AFTER THE BALANCE SHEET DATE	36

DIRECTORS' STATEMENTS**(in accordance with Article 5(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. Panagiotis Gogos, Board Member, Chairman of the Audit Committee

hereby state and certify, that to the best of our knowledge:

(a) the attached half-year, company and consolidated condensed financial reporting statements of EYATH S.A., for the period 1.1.2017-30.6.2017, which were drawn up in accordance with IAS 34, provide the true picture of the assets and liabilities, the equity and the results of EYATH S.A., as well as the companies included in the consolidation, viewed as a whole, in accordance with Article 5(3) to (5) of Law 3556/2007, and

(b) the half-year report of the Board of Directors of EYATH S.A. provides a true picture of the information required based on Article 5(6) of Law 3556/2007.

Thessaloniki, 28 September 2017

Confirmed by

Ioannis Krestenitis

Ioannis Papaioannou

Panagiotis Gogos

Chairman of the Board of
Directors & CEO

Vice Chairman

Board member
Chairman of the Audit
Committee

ID Card No. AB 680550

ID Card No. AE 183479

ID Card No. AE 680814

**HALF-YEAR MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF
THE THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.
FOR THE PERIOD 01 January 2017 - 30 June 2017**

(In accordance with the provisions of Article 5(6) of Law 3556/2007 and the implementing decisions issued on the matter by the Hellenic Capital Market Commission)

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 Half-Year Report of the Board of Directors for the current period (1.1.2017 - 30.6.2017).

This report provides condensed financial information on the financial standing and results of the EYATH S.A. company and the EYATH S.A. Group of companies, a description of the significant events that took place during the closing financial period, 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 persons, as well as other information with regard to the shares, share capital and significant agreements in force at the end of the closing financial period.

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 A 248/3-11-1998), created from the merger of Societes Anonyme "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 within 1997 and b) subsidiary company 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.

Revenue was € 37,695 compared to € 37,771 during the corresponding period last year, recording a drop of € 76 or 0.20%. The cost of sales was € 20,744 compared to € 21,875, recording a drop of € 1,131 or 5.17%. The Group's Earnings before tax stood at € 14,085 in 2017, compared to € 10,734, an increase of € 3,351 or 31.22%. Finally, Earnings after Tax amounted to € 9,695, up from € 5,490, an increase of € 4,205 or 76.58%.

The Group's revenues were the result of the sale of water supply and sewerage services.

The period's Gross Profit amounted to € 16,951 compared to € 15,896 in the previous period, an increase of € 1,055 or 6.64%.

The EYATH S.A. Group's EBITDA during the current period amounted to € 16,302 compared to € 12,971, an increase of € 3,331 or 25.86%.

Finally Group cash and cash equivalents at the end of the period on 30.6.2017 stood at € 71,096 compared to € 56,697 on 31/12/2016, an increase of € 14,399 or 25.68%.

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:

GROUP'S FINANCIAL RATIOS

	01/01/2017-30/06/2017	01/01/2016-30/06/2016	Deviation
PERFORMANCE AND PROFITABILITY RATIOS			
Gross Profit Margin	42.46%	42.09%	4.45%
EBITDA Margin	43.25%	34.34%	3.01%
EBIT	35.32%	26.83%	3.00%
EBT Margin	37.37%	28.42%	3.03%
EAT Margin	25.72%	14.52%	-0.33%
INVESTMENT RATIOS			
Earnings per share after tax	0.2671	0.1513	76.59%
LIQUIDITY RATIOS			
	30/06/2017	30/06/2016	Deviation
General liquidity (Current assets / short-term liabilities)	4.85	4.65	4.13%
CAPITAL STRUCTURE & VIABILITY RATIOS			
Equity / Debt	298.32%	281.79%	16.53%

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.

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.

EYATH S.A. Board of Directors decision No. 092/2017 recommended that the Special Secretariat for Water apply the same pricing policy up to 31.12.2017 just as in 2016.

In May 2017 Joint Ministerial Decision No. 135275/2017 (Government Gazette 1751/B/22.5.2017) was issued which regulates aspects of costing and billing of water services for all providers of those services nationwide. The uniform costing and billing rules will take effect in 2018. Article 16 of that Joint Ministerial Decision states that the contract between EYATH and the Hellenic Republic will continue to apply unamended.

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.

During the current period, Panagiotis Gogos was elected as an independent non-executive member of the Company's Board of Directors by decision No. 139/6.4.2017 of the Board, and also as Chairman of the Audit Committee, replacing I. Antoniadis. The Ordinary General Meeting of Shareholders decided on 8.6.2017 that the Board's Vice Chairman, Styliani Valani would be a non-executive member.

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 and put in place arrangements for repayment of debts under favourable terms.

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 recruiting has already been completed for 80 university or technical college employees and 62 have already started work, 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 effective from 1.1.2017, 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. To ensure better coordination between Company divisions, a Management Board was instituted, which operates on the basis of updated by-laws.

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 choices 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 to transfer the shares held by HRADF to the Public Holdings Company S.A. when it is established. So far, that transfer has not yet been completed and HRADF is still a shareholder in the Company, with a 74.02% stake.

On 17.5.2017 the Governmental Financial Policy Council approved HRADF's revised business plan dated 31.1.2017.

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 Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period (decisions No. 043/2017 & 159/2017) 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 to the Thessaloniki Water Treatment Plant (Phase 'A2') to ensure an extra quantity of water (150,000 m³/day) 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.

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 and the EYATH Fixed Assets' investment plant worth € 19.3 million) is € 166 million and will be implemented by the Company over the next 6 years.

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, in early 2016 the company installed a new information system (SAP) for financial management (purchasing, warehouses, accounting department) and is currently planning the next stage which focuses on commercial management (Billing & CRM) and on customer service in general.

Article 26 of Law 2937/2001 states that 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 Asvestohori, 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 the 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 € 56 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 sector, which in effect is voluntary for businesses, but contributes to the goals of sustainable development, EYATH has taken steps in the following sectors:

- it 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.
- it 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.);
- it 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;
- it runs camping schemes for employees' children;
- it ensures the safety of its staff;
- it 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;
- it runs info-campaigns for the public about the options available to socially and financially vulnerable population groups;
- it provides service to citizens via new and improved e-services and an extensive network of partners;
- it 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;
- it invests in improving its facilities to ensure better performance and reduce energy consumption.
- it contributes actively to surface cleaning of the Thessaloniki seafront, removing floating objects and spills or cleaning up pollution incidents;
- it removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems;
- it plans for the systematic modernisation of the water supply network to reduce leaks;
- it operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies;
- it 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;
- it 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;
- it systematically recycles at the workplace and uses environmentally-friendly materials;
- it collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens;
- it participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public;

- it 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;
- it runs an hour-long programme entitled "The sewerage cycle in Thessaloniki" to inform and increase awareness among primary and secondary school pupils;
- it prepares educational programmes for children as part of the Thessaloniki International Fair.
- it 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;
- it helps improve the life of refugees in hosting centres in the area around Thessaloniki.
- it 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. During the current period, in partnership with the Telloglion Museum it has also planned to upgrade educational activities at the Water Supply Museum.
- it 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.

SAFETY, ENVIRONMENT AND STAFF TRAINING

Safety in the workplace, environmental protection, the harmonious coexistence with the local community and the continuous training of the staff, continue to be on the top of our non-negotiable goals, intrinsically connected with the Company's operation.

COMPANY BRANCHES

During the current year, 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.

EQUITY 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 public or municipal companies/corporations/organisations or private companies 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.

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 30.6.2017.

(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.

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.

SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons). The Group's trading transactions with these related parties during the 1.1.2017-30.6.2017 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1.1.2017 - 30.6.2017 period and on 30 June 2017 respectively, as well as during the previous period, are broken down in the following tables (see note 15 of the financial statements):

	THE GROUP		THE COMPANY	
	01/01/2017 - 30/6/2017	01/01/2016 - 30/6/2016	01/01/2017 - 30/6/2017	01/01/2016 - 30/6/2016
Income	-	-	-	-
Expenses	-	-	1,125	868
Transactions and fees of members of Management and members of the Board	315	410	314	409

	THE GROUP		THE COMPANY	
	30-June-17	31-Dec-16	30-June 17	31-Dec-16
Receivables	-	-	24	120
Liabilities	-	-	454	275
Receivables from members of management and members of the board	3	4	3	4
Liabilities to members of management and members of the board	4	20	2	20

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. Approval was given for a dividend for 2016 of € 0.114/share plus an additional dividend of € 0.114/share to be distributed. Consequently total dividends to be distributed amount to € 0.228/share. All persons who are shareholders as at the holder-of-record date are entitled to a dividend. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months of the date of approval by the Ordinary General Meeting of the annual financial statements. The place and manner of payment is announced in the press. Dividends not collected within 5 years from the end of the year in which the General Meeting approved distribution, devolve to the State.

- 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 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 percentage of all of the Company's voting rights on 30.6.2017 are the following:

SHAREHOLDER	Number of shares held	Holding on 30.06.2017
Hellenic Republic Asset Development Fund S.A.	26,868,000	74.02%
SUEZ ENVIRONMENT COMPANY	1,982,870	5.46%
Other shareholders	7,449,130	20.52%
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 to transfer the shares held by HRADF to the Public Holdings Company S.A. when it is established. So far, that transfer has not yet been completed and HRADF is still a 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 ON 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 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 WHICH ENTERS INTO FORCE, IS AMENDED OR ENDS, IN CASE OF CHANGE IN CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID

There are no other agreements that enter into force, are amended or end in case of a change in control of the Company following a takeover bid, beyond the trilateral concession agreement between EYATH SA, EYATH Fixed Assets and the Greek State, which was ratified with 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 DISMISSED 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

The General Meeting of 8 June 2017 approved the distribution of a total dividend of 0.228 €/share. Specifically, it was decided that the total dividend would amount to € 8,276 for 2016, which corresponds to the payment of the first dividend of €0.114/share and the additional dividend of €0.114/share, compared to € 9,075 during the previous year of 2015, for all 36,300,000 bearer shares.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors of EYATH S.A. Decided on 27.7.2017 to elect Mrs. Marina Kouri as a non-executive member to replace Eleftheria Karahaliou, HRADF representative, who had resigned.

There are no events after 30.6.2017, which could materially affect the financial standing 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, 28 September 2017

ON BEHALF OF THE BOARD OF DIRECTORS

Ioannis Krestenitis	Ioannis Papaioannou	Panagiotis Gogos
Chairman of the Board of Directors & CEO	Vice Chairman	Board member Chairman of the Audit Committee
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. AE 680814

Interim financial reporting review report

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

Introduction

We have reviewed the attached separate and consolidated statement of financial position of THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. dated 30 June 2017 and the relevant condensed company and consolidated statements of comprehensive income, statements of change in equity and cash flow statements for the 6-month period which ended on that date and the selected explanatory notes which comprise the interim financial reporting package which constitutes an integral part of the half-year financial report required by Article 5 of Law 3556/2007. Company management is responsible for preparing and fairly presenting the interim condensed financial reporting package in accordance with the IFRS which have been adopted by the EU and applied to interim financial reporting (IAS 34). Our responsibility is to express an opinion on this interim condensed financial information based on our review.

Scope of review

We performed our review in accordance with the International Standards on Auditing 2410. «Review of Interim Financial Information Performed by the Independent Auditor of the Entity». The interim financial information review consists of making inquiries, primarily for persons responsible for financial and accounting matters, and applying analytical and other review procedures. The extent of a review engagement is materially less than an audit carried out in accordance with the International Auditing Standards and consequently does not permit us to safely assume that all major issues which would have been pointed out in an audit have come to our attention. Consequently, this document does not contain an audit opinion.

Conclusion

The review conducted did not bring anything to our attention that would lead us to conclude that the attached interim condensed financial information has not been prepared in all material respects according to IAS 34.

Report on Other Legal and Regulatory Issues

This review did not identify any inconsistency or mismatch between the other data in the half-yearly financial report required by Article 5 of Law 3556/2007 and the attached condensed financial information.

Athens, 28 September 2017

The Certified Public Accountants

Athanasia Arabatzi
ICPA Reg. No. 12821

Christos Vargiomezis
ICPA Reg. No. 30891



Οργανισμός Ελεγκτών Σύμβουλων Εμπιστοσύνης
Ζεφύρου 56, 17564 Παικιά Φλώρινα
Α.Μ. ΣΟΕΑ 127

Statement of Financial Position

	THE GROUP		THE COMPANY		
	30/6/2017	31/12/2016	30/6/2017	31/12/2016	
ASSETS					
Non-Current Assets					
Tangible assets	4	78,796	80,275	78,796	80,275
Intangible assets		371	401	371	401
Participations in subsidiaries		-	-	60	60
Deferred tax assets	13	3,135	3,376	3,135	3,376
Other long-term assets		3,188	1,880	3,188	1,880
Total non-current assets		85,491	85,932	85,550	85,991
Current Assets					
Inventories	5	1,154	1,336	1,154	1,336
Trade and other receivables	6	49,984	47,732	49,879	47,783
Cash and Cash Equivalents	7	71,096	56,697	70,857	56,302
Total current assets		122,234	105,766	121,890	105,421
TOTAL ASSETS		207,724	191,699	207,440	191,412
EQUITY					
Share capital and reserves					
Share capital	8	40,656	40,656	40,656	40,656
Share premium		2,830	2,830	2,830	2,830
Reserves		28,221	28,221	28,198	28,198
Results carried forward		83,867	82,448	83,448	82,111
Total equity		155,574	154,154	155,132	153,796
Non-controlling interests		-	-	-	-
Total equity		155,574	154,154	155,132	153,796
LIABILITIES					
Long-term liabilities					
Long-term borrowing					
Provisions for employee benefits	9	1,981	1,998	1,981	1,998
Provisions for contingent risks and expenses	10	8,599	8,888	8,599	8,888
Grants		2,177	2,345	2,177	2,345
Other long-term liabilities		14,166	14,024	14,166	14,024
Total long-term liabilities		26,922	27,254	26,922	27,254
Short-term liabilities					
Trade and other liabilities	11	20,500	9,712	20,824	9,863
Short-term tax liabilities	12	4,728	576	4,561	501
Total short-term liabilities		25,228	10,288	25,386	10,364
Total Liabilities		52,150	37,542	52,308	37,618
TOTAL OWNERS' EQUITY AND LIABILITIES		207,724	191,699	207,440	191,412

The disclosures on pages 22 to 40 are an integral part of these interim condensed financial statements.

Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
	01/01-30/06/2017	01/01-30/06/2016	01/01-30/06/2017	01/01-30/06/2016
Sales	37,695	37,771	37,695	37,771
Less: Cost of sales	(20,744)	(21,875)	(20,321)	(21,200)
Gross profit margin	16,951	15,896	17,373	16,571
Other operating income	652	1,018	652	1,173
	17,603	16,914	18,025	17,744
Selling and distribution expenses	(1,994)	(2,101)	(2,376)	(2,840)
Administrative expenses	(1,640)	(2,108)	(1,722)	(2,112)
Research & Development Expenses	(56)	(148)	(131)	(206)
Miscellaneous operating costs	(599)	(2,423)	(599)	(2,390)
Results of operations	13,312	10,134	13,198	10,196
Net Financial Income	772	600	772	599
Profit or loss of usual business	14,085	10,734	13,970	10,795
Earnings before tax	14,085	10,734	13,970	10,795
Income tax	(4,390)	(5,243)	(4,356)	(5,243)
	9,695	5,490	9,614	5,552
Results net of tax				
Allocated among:				
Parent shareholders	9,695	5,490	9,614	5,552
Non-controlling interests	-	-	-	-
Other comprehensive income net of tax				
Data that will not be classified later in the Income Statement:				
Actuarial Results	-	-	-	-
Total comprehensive income net of tax	9,695	5,490	9,614	5,552
Allocated among:				
Parent shareholders	9,695	5,490	9,614	5,552
Non-controlling interests	-	-	-	-
Earnings per share (in euro per share)				
Basic	0.2671	0.1513	0.2648	0.1529

The disclosures on pages 22 to 40 are an integral part of these interim condensed financial statements.

Statement of Changes in Equity

Statement of changes in equity (Group)

	Share Capital	Share premium	Statutory reserves	Other reserves	Other comprehensive income / results carried forward	TOTAL
Balances on 01/01/2017 according to IFRS	40,656	2,830	11,184	17,035	82,449	154,155
Total comprehensive income net of tax 01/01 - 30/06/2017	-	-	-	-	9,695	9,695
Other Total Income of period 01/01 - 30/06/2017	-	-	-	-	-	-
Dividends paid	-	-	-	-	(8,276)	(8,276)
Balances on 30/06/2017 according to IFRS	40,656	2,830	11,184	17,035	83,867	155,574
Balances on 01/01/2016 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,669
Total comprehensive income net of tax 01/01 - 30/06/2016	-	-	-	-	5,490	5,490
Other Total Income of period 01/01 - 30/06/2016	-	-	-	-	-	-
Dividends paid	-	-	-	-	(9,075)	(9,075)
Balances on 30/06/2016 according to IFRS	40,656	2,830	10,563	16,984	76,049	147,084
Balances on 01/01/2016 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,668
Total comprehensive income net of tax 31/12/2016	-	-	621	-	11,836	12,457
Other Total Income of period 01/01 - 31/12/2016	-	-	-	-	105	105
Other changes	-	-	-	51	(51)	-
Dividends distributed	-	-	-	-	(9,075)	(9,075)
Balances on 31/12/2016 according to IFRS	40,656	2,830	11,184	17,035	82,449	154,154

Statement of changes in equity (Company)

	Share Capital	Premium on capital stock	Statutory Reserves	Other reserves	Other total income / Retained earnings	Total
Balance on 01/01/2017 according to IFRS	40,656	2,830	11,162	17,035	82,112	153,795
Total comprehensive income net of tax 01/01 - 30/06/2017	-	-	-	-	9,614	9,614
Other Total Income of period 01/01 - 30/06/2017	-	-	-	-	-	-
Dividends paid	-	-	-	-	(8,276)	(8,276)
Balance on 30/06/2017 according to IFRS	40,656	2,830	11,162	17,035	83,448	155,132
Balance on 01/01/2016 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435
Total comprehensive income net of tax 01/01 - 30/06/2016	-	-	-	-	5,552	5,552
Other Total Income of period 01/01 - 30/06/2016	-	-	-	-	-	-
Dividends paid	-	-	-	-	(9,075)	(9,075)
Balance on 30/06/2016 according to IFRS	40,656	2,830	10,541	16,984	75,899	146,911
Balance on 01/01/2016 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435
Total comprehensive income net of tax 01/01 - 31/12/2016	-	-	621	-	11,710	12,331
Other Total Income of period 01/01 - 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

The disclosures on pages 22 to 40 are an integral part of these interim condensed financial statements.

Cash Flow Statement

Note:	THE GROUP		THE COMPANY	
	01/01-30/06/2017	01/01-30/6/2016	01/01-30/06/2017	01/01-30/6/2016
Cash flow from operating activities				
Profit / (loss) before income tax (continuing operations)	14,085	10,734	13,970	10,795
Plus (Minus) adjustments for:				
Depreciation	3,158	3,067	3,158	3,067
Fixed asset investment subsidies	(168)	(229)	(168)	(229)
Provisions	1,306	2,873	1,306	2,873
Interest and related (income) / expenses	(772)	(600)	(772)	(599)
	17,608	15,844	17,494	15,906
Decrease/ (increase) in inventories	182	(13)	182	(13)
Decrease/(increase) in trade and other receivables	(2,984)	(3,253)	(2,981)	(3,309)
Increase / (Decrease) of trade and other liabilities (except loans)	2,258	1,516	2,427	1,523
Decrease/ (increase) in other long-term receivables	(1,308)	297	(1,308)	297
(Less):				
Interest charges and related expenses paid	(36)	(28)	(36)	(27)
Total input/ (output) from operating activities (a)	15,720	14,363	15,780	14,377
Cash Flows from Operating Activities				
Purchases of tangible assets	(1,633)	(1,975)	(1,632)	(1,976)
Purchase of intangible assets	(16)	(47)	(16)	(47)
Dividends collected	-	-	96	-
Collected interest	328	503	328	502
Total inflow/(outflow) from investing activities (b)	(1,321)	(1,519)	(1,224)	(1,521)
Cash flows from financing activities				
Dividends paid	-	(8,761)	-	(8,761)
Total input/ (output) from financing activities (c)	0	(8,761)	0	(8,761)
Net increase / (decrease) in cash and cash equivalents (a)-(b)+(c)	14,399	4,083	14,556	4,094
Cash assets and equivalents at start of year	56,697	50,956	56,302	50,776
Cash assets and equivalents at end of period	71,096	55,039	70,857	54,870

The disclosures on pages 22 to 40 are an integral part of these interim condensed financial statements.

NOTES ON THE INTERIM CONDENSED FINANCIAL REPORTING

1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

The **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 its subsidiary EYATH Services S.A., has the purpose of providing all types of telecommunication services and engages in the production and sale of electricity, in addition to the parent company's operations.

Board of Directors:

1. Ioannis Krestenitis, Chairman & CEO, executive member
2. Ioannis Papaioannou, Vice Chairman, executive member
3. Styliani Valani, Vice Chairman, non-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. Marina Kouri, independent non-executive member
10. Georgios Archontopoulos, Member, non-executive member, representative of employees
11. Anastasios Sachinidis, Member, non-executive member, representative of employees

The Board of Directors of EYATH S.A. officially established itself on 8.6.2017 after Mr. Panagiotis Gogos replaced Mr. Ioannis Antoniadis as a member of the Board, and after the change in Mrs. Styliani Valani's status from an executive to non-executive member.

The Board of Directors of EYATH S.A. then decided on 27.7.2017 to elect Mrs. Marina Kouri as a non-executive member to replace Eleftheria Karahaliou, HRADF representative, who had resigned.

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

The condensed interim financial information have been drawn up in accordance with International Accounting Standard 34 (Interim Financial Reporting). The condensed interim financial reporting must be considered in combination with the financial statements of 31 December 2016. The key accounting principles implemented for drawing up the interim condensed financial report of the six-month period that ended on 30 June 2017 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2016, and are described in them, after taking into consideration the amendments to standards and interpretations presented below. Where necessary, the comparable data have been reclassified to agree with any changes to the presentation of the current period data. Any differences between the amounts reported in the interim condensed financial information and the respective amounts in the notes are due to rounding.

Preparation of the financial statements in accordance with the IFRS requires the use of certain important accounting estimates and the exercise of judgement by Management in applying and implementing accounting principles. 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 results may in fact differ from those calculations. There was no change in the key accounting policies, accounting judgments and estimates compared to 31.12.2016.

The financial statements have been prepared based on historical cost and the going concern principles, and were approved by the BoD on 28.09.2017.

The Company's functional and presentation currency is the Euro.

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 S.A. (EYATH)	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

2.2 New standards, amendments to standards and interpretations

New standards, interpretations, revisions and amendments to the existing standards which are in effect and have been adopted by the EU

There are no new standards, interpretations, revisions or amendments to existing standards which were published by the International Accounting Standards Board (IASB) and have been adopted by the European Union, whose application is mandatory as of 1.1.2017 or thereafter.

New standards, interpretations, revisions and amendments to the existing standards which are not yet in effect or have not been approved by the EU

The following new standards and revisions to standards have been published by the IASB, but either they are not yet in effect or they have not been approved yet by the EU.

- **IFRS 15 “Revenue from Contracts with Customers” (applicable to annual accounting periods beginning on or after 1.1.2018)**

In May 2014 the IASB issued a new standard, IFRS 15. This standard is fully in line with the revenue recognition requirements both under IFRS and the US GAAP. The key principles on which this standard is based are consistent, in large part, with current practice. The new standard is expected to improve financial reporting, by establishing a more robust framework for resolving issues that arise, bolstering comparability across sectors and capital markets, providing additional disclosures and clarifying how the cost of contracts is to be accounted for. The new standard replaces IAS 18 Revenue, IAS 11 Construction Agreements and certain interpretations related to revenues. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The standard has been adopted by the European Union, and is effective from 1.1.2018 onwards.

- **IFRS 9 “Financial Instruments” (effective for annual periods commencing on or after 1.1.2018)**

In July 2014 IASB issued the final version of IFRS 9. The improvements made by the new standard include a logical model for classification and measurement of financial instruments, a single, forward-looking impairment loss model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The standard has been adopted by the European Union, and is effective from 1.1.2018 onwards.

- **IFRS 16: Leases (effective for annual periods commencing on or after 1.1.2019)**

In January 2016 the IASB issued a new standard, IFRS 16. The purpose of the IASB project was to develop a new standard for leases which lays down principles to be applied by both parties in a contract, namely the customer (the lessee) and the supplier (the lessor) to provide information about leases in a manner that accurately records these transactions. To achieve that objective, the lessee must recognise the assets and liabilities deriving from the lease. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Amendment to IAS 12: “Recognition of Deferred Tax Assets for Unrealised Losses” (effective for annual accounting periods commencing on or after 1.1.2017):**

In January 2016 the IASB issued narrow scope amendments to IAS 12. The purpose of the amendments is to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Amendment to IAS 7: Disclosure Initiative (effective for annual periods commencing on or after 1.1.2017)**

In January 2016 the IASB issued narrow scope amendments to IAS 7. The purpose of the amendments is to make it possible for users of financial statements to evaluate changes in liabilities arising from financial activities. The amendments require economic entities to provide disclosures which make it possible for investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows, and from non-cash related changes. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Clarifications IFRS 15 “Revenue from Contracts with Customers” (effective for annual accounting periods beginning on or after 1.1.2018)**

In May 2016 the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the key principles in the standard but do provide clarifications about how to implement those principles. The amendments clarify how to identify a performance obligation in a contract, how to determine whether an economic entity is the principal or agent, how to identify whether income from a license should be recognised at a specific point in time or over time. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Amendment to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective for annual periods starting on or after 1.1.2018)**

In June 2016 the IASB issued narrow scope Amendment to IFRS 2. The purpose of the amendments is to provide clarifications about how specific types of share-based payment transactions are to be accounted for. In particular, the amendment introduces requirements about accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, the classification of share-based payment transactions with net settlement features for withholding tax liabilities, and accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Annual improvements to the IFRS (2014 – 2016 Cycle) (effective for annual accounting periods commencing on or after 1.1.2017 and 1.1.2018)**

In December 2016, the IASB issued the “Annual Improvements to IFRSs 2014-2016 Cycle”, which incorporates a series of amendments to certain standards and forms part of the annual IFRS improvement project. The amendments included in the cycle relate to: IFRS 12: Clarification of the scope of the standard, IFRS 1: Deletion of the short-term exemptions for first-time adoption of the IFRS, IAS 28: Measurement of an associate or a joint venture at fair value. The amendments are effective for annual periods commencing on or after 1.1.2017 in the case of IFRS 12 or on or after 1.1.2018 in the case of IFRS 1 and IAS 28. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual accounting periods commencing on or after 1.1.2018)**

In December 2016, the IASB issued a new interpretation, IFRIC 22. This standard includes requirements relating to exchange rates which must be used to present foreign currency transactions (such as revenue transactions) when a payment is received or given in advance. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **Amendment to IAS 40: Transfers of Investment Property from or to other categories (effective for annual periods commencing on or after 1.1.2018)**

In December 2016 the IASB issued narrow scope amendments to IAS 40. The purpose of the amendments is to improve transfers of investment properties from or to other categories so that it is clear that (a) a transfer from or to investment properties must be made only if there is a change in how the property is used and (b) such a change in use of the property must include evaluation of the extent to which the property meets the criteria for classifying it as an investment property. That change in use must be supported by appropriate documentation/evidence. The Group will examine the impact of all

these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

- **IFRS 23: Uncertainty over Income Tax Treatments (effective for annual periods commencing on or after 1.1.2019)**

In June 2017, the IASB issued a new interpretation, IFRIC 23. IAS 12 (Income Tax) specifies how current and deferred tax is to be accounted for, but does not state how the impacts of uncertainty should be shown. IFRIC 23 includes requirements on top of IAS 12, specifying how the impacts of uncertainties in income taxes should be accounted for. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

2.3 Reclassifications

In the period ended, a provision of € 300, which on 31.12.2016 had been included in 'provisions for contingencies and expenses' as reducing the reserves, was reclassified to present a clearer picture. This reclassification does not affect the results for 2016 nor Company or Group equity.

3. SEGMENTAL REPORTING

The Group's management, after evaluating its 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 the following:

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

3.1.1 Distribution of income statement per business segment

Group data for the period 01.01 - 30.06.2017

	Provision of services Water supply	Provision of services Sewerage	Group Total
Sales to third parties	24,825	12,870	37,695
Less: Total cost of sales	(11,438)	(9,306)	(20,744)
Gross Profit (losses)	13,387	3,564	16,951
Earnings / (losses) before taxes, financial and investment results	10,991	2,322	13,312
Net Financial Income	532	240	772
Result from usual business	11,523	2,562	14,085
Results before tax	11,523	2,562	14,085
Income tax	(3,591)	(798)	(4,390)
Results net of tax	<u>7,932</u>	<u>1,764</u>	<u>9,695</u>
Earnings / (losses) before taxes, financial and investment results and depreciation	<u>13,517</u>	<u>2,785</u>	<u>16,302</u>

Group data for the period 01.01 - 30.06.2016

	Provision of services Water supply	Provision of services Sewerage	Group Total
Sales to third parties	24,731	13,040	37,771
Less: Total cost of sales	(12,438)	(9,437)	(21,875)
Gross Profit (losses)	12,293	3,603	15,896
Earnings / (losses) before taxes, financial and investment results	8,520	1,613	10,134
Net Financial Income	411	189	600
Result from usual business	8,931	1,802	10,734
Results before tax	8,931	1,802	10,734
Income tax	(4,363)	(880)	(5,243)
Results net of tax	<u>4,568</u>	<u>922</u>	<u>5,490</u>
Earnings / (losses) before taxes, financial and investment results and depreciation	<u>10,974</u>	<u>1,997</u>	<u>12,971</u>

3.1.2 Distribution of Assets and Liabilities per business sector.

Group data on 30.06.2017

Group data	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Fixed Assets	47,567	31,600	76,167
Customers and other receivables	32,918	17,066	49,984
Non-allocated assets	-	-	78,573
Total assets	80,486	48,666	207,724
Future subsidy income	-	2,177	2,177
Liabilities	10,250	10,250	20,500
Non-allocated liabilities	-	-	185,047
Total Liabilities	10,250	12,427	207,724

Additions of Tangible and Intangible Assets	695	954	1,649
---	-----	-----	-------

Group data on 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	-	-	63,290
Total assets	76,629	48,780	191,699
Future subsidy income	-	2,345	2,345
Liabilities	5,646	5,119	9,712
Non-allocated liabilities	-	-	179,640
Total Liabilities	5,646	7,464	191,699

Additions of Tangible and Intangible Assets	2,708	4,270	6,978
---	-------	-------	-------

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

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

4. TANGIBLE AND INTANGIBLE ASSETS

The Group's tangible assets are analysed as follows:

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 01/01/2017	18,896	5,826	111,917	1,955	3,533	6,516	148,642
Additions 01.01 - 30.06.2017	-	-	290	1	50	1,292	1,633
Redistributions 01.01 - 30.06.2017	-	-	8	-	-	(8)	-
Sales 01.01 - 30.06.2017	-	-	-	-	-	-	-
Total on 30/06/2017	18,896	5,826	112,215	1,956	3,583	7,799	150,275
Accumulated depreciations							
Balance on 01/01/2017	-	1,894	65,552	1,133	2,788	-	68,366
Depreciation of period 01.01 - 30.06.2017	-	73	2,914	42	82	-	3,112
Sales 01.01 - 30.06.2017	-	-	-	-	-	-	-
Total on 30.06.2017	-	1,967	65,466	1,175	2,870	-	71,478
Net Non-amortised value on 31.12.2016	18,896	3,932	49,365	822	745	6,516	80,275
Net Non-amortised value on 30.06.2017	18,896	3,859	46,749	781	713	7,799	78,797

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

THE COMPANY							
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 01/01/2017	18,896	5,826	111,917	1,955	3,533	6,516	148,642
Additions 01.01 - 30.06.2017	-	-	290	1	50	1,292	1,633
Redistributions 01.01 - 30.06.2017	-	-	8	-	-	(8)	-
Sales 01.01 - 30.06.2017	-	-	-	-	-	-	-
Total on 30.06.2017	18,896	5,826	112,215	1,956	3,583	7,799	150,275
Accumulated depreciation							
Balance on 01/01/2017	-	1,894	65,552	1,133	2,788	-	68,366
Depreciation of period 01.01 - 30.06.2017	-	73	2,914	42	82	-	3,112
Sales 01.01 - 30.06.2017	-	-	-	-	-	-	-
Total on 30.06.2017	-	1,967	65,466	1,175	2,870	-	71,478
Net Non-amortised value on 31.12.2016	18,896	3,932	49,365	822	745	6,516	80,275
Net Non-amortised value on 30.06.2017	18,896	3,859	46,749	781	713	7,799	78,797

The intangible assets of the Company and the Group are analysed as follows:

	THE GROUP		THE COMPANY	
	Software Programs	Total	Software Schedules	Total
Acquisition or valuation value				
Balance on 01/01/2017	1,088	1,088	1,088	1,088
Additions 01.01 - 30.06.2017	16	16	16	16
Total on 30.06.2017	1,104	1,104	1,104	1,104
Accumulated Depreciation				
Balance on 01/01/2016	688	688	688	688
Depreciation of period 01.01 - 30.06.2017	46	46	46	46
Total on 30.06.2017	734	734	734	734
Net non-amortised value on 31.12.2016	401	401	401	401
Net Non-amortised value on 30.06.2017	371	371	371	371

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

5. INVENTORIES

Group and company inventories can be broken down as follows:

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Raw direct and indirect materials - consumables - spare parts	1,189	1,671	1,189	1,671
Impairment of inventories	(35)	(335)	(35)	(335)
Total after impairment	1,154	1,336	1,154	1,336

There is an impairment provision of €35 on the Group's inventories (2016: € 335). There are no pledges on the Group's inventories.

A provision of € 300 which on 31.12.2016 had been included in 'provisions for contingencies and expenses' as reducing the reserves, was reclassified to present a clearer picture.

6. TRADE AND OTHER RECEIVABLES

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

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Trade receivables	43,281	41,361	43,259	41,338
Short-term receivables from related parties	-	-	24	120
Doubtful - disputed customers and debtors	24,478	23,210	24,478	23,210
Sundry debtors	1,097	506	991	459
Advances and credit control account	110	160	110	160
Prepaid expenses	272	263	272	263
Years' receivable income	5,223	5,442	5,223	5,442
	74,461	70,942	74,357	70,993
Less: Provision for bad debt	(24,478)	(23,210)	(24,478)	(23,210)
Total of trade and other receivables	49,984	47,732	49,879	47,783

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 the account "Receivable Income of period" on 30.6.2017 amounting to € 5,223, pertains to both incurred income of EYATH S.A. for the 1.1.2017-30.6.2017 period (when they were recorded) amounting to € 4,519 which will be invoiced in a subsequent period, and other receivable income of € 703.

The advances and credit management account on 30.6.2017 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	
	30-Jun - 17	31-Dec-16	30-Jun - 17	31-Dec-16
Balance of 1 January 2017 / 1 January 2016	23,210	20,429	23,210	20,429
Increase	1,268	2,782	1,268	2,782
Balance on 30 June 2017 / 31 December 2016	24,478	23,210	24,478	23,210

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.

7. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	30-Jun - 17	31-Dec-16	30-Jun - 17	31-Dec-16
Cash	82	153	82	153
Sight and time deposits	71,013	56,544	70,775	56,149
Total	71,097	56,697	70,857	56,302

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

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

In implementation of the Legislative Act of 20.4.2015 (Government Gazette 41/A), EYATH S.A. opened a cash management account in the Bank of Greece on 22.4.2016 by depositing an amount of €25,000.

8. SHARE CAPITAL

The company's share capital emerged as follows:

	30-Jun-17	31-Dec-16
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
Share premium	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 30.6.2017, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 30.06.2017
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%

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

	THE GROUP		THE COMPANY	
	01/01-30/06/2017	01/01-30/6/2016	01/01-30/06/2017	01/01-30/6/2016
Payroll expenses	3,274	3,302	3,274	3,465
Employer contributions	822	821	822	845
Other benefits and expenses of staff	24	68	24	66
Staff termination indemnity	39	-569	39	-569
Global cost	4,158	3,622	4,158	3,622
Number of permanent employees	222	222	217	222

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	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Provisions for retirement benefits	1,981	1,998	1,981	1,998
Provisions for water supply	-	-	-	-
	1,981	1,998	1,981	1,998

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

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-16	31-Dec-15
Current value of non-financed liabilities	1,981	1,998	1,981	1,998
Net liability recognised in balance sheet	1,981	1,998	1,981	1,998

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Cost of current employment	19	46	19	46
Interest on liability	20	52	20	52
Normal expenses in income statement	39	97	39	97

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Net liability at start of period	1,998	2,223	1,998	2,223
Benefits paid by employer	(55)	(175)	(55)	(175)
Total expense recognised in income statement	39	97	39	97
Amount recognised directly in comprehensive income statement	-	(148)	-	(148)
Net liability at end of period	1,981	1,998	1,981	1,998

Remeasurements

(Profit)/Loss from change in assumptions	-	(42)	-	(42)
(Profit)/Loss from the current period	-	189	-	189
Total charges to other comprehensive income	-	148	-	148

Change in net value of liability

Present value of liability at start of period	1,998	2,223	1,998	2,223
Cost of current employment	19	46	19	46
Interest cost	20	52	20	52
Benefits paid by employer	(55)	(175)	(55)	(175)
Amounts recognised in other comprehensive income	-	(148)	-	(148)
Present value of liability at end of period	1,981	1,998	1,981	1,998

Actuarial assumptions

Discount Rate	2.00%	2.00%	2.00%	2.00%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0.00% up to 2019 and 2.3% (after that)	0% up to 2019 and 2.3% (after that)	0.00% up to 2019 and 2.3% (after that)	0.00% up to 2019 and 2.5% (after that)
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	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Current value of non-financed liabilities	-	0	-	0
Net liability recognised in balance sheet	-	0	-	0

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Cost of current employment	-	13	-	13
Interest on liability	-	35	-	35
Additional payments or expenses / (income)	-	(1,608)	-	(1,608)
Normal expenses in income statement	-	(1,560)	-	(1,560)
Recognition of past service cost	-	-	-	-
Total expense in income statement	-	(1,560)	-	(1,560)

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Net liability at start of period	-	1,560	-	1,560
Benefits paid by employer	-	-	-	-
Total expense recognised in income statement	-	(1,560)	-	(1,560)
Amount recognised directly in comprehensive income statement	-	-	-	-
Net liability at end of period	-	-	-	-
Remeasurements				
(Profit)/Loss from change in assumptions	-	-	-	-
(Profit)/Loss from the current period	-	-	-	-
Total charges to other comprehensive income	-	-	-	-

Change in net value of liability

Present value of liability at start of period	-	1,560	-	1,560
Cost of current employment	-	13	-	13
Cost of interest	-	35	-	35
Benefits paid by employer	-	-	-	-
Cost of cutbacks / settlements / termination of service	-	(1,608)	-	(1,608)
Additional payments or expenses / (income)	-	-	-	-
Cost of past service during previous period	-	-	-	-
Amounts recognised in other comprehensive income	-	-	-	-
Present value of liability at end of period	-	-	-	-

Actuarial assumptions

Discount Rate	2.00%	2.00%	2.00%	2.00%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0.00% up to 2019 and 2.3% (after that)	0.00% up to 2019 and 2.3% (after that)	0.00% up to 2019 and 2.3% (after that)	0.00% up to 2019 and 2.3% (after that)
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.

10. PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 6,398 covers contingent liabilities that may arise during the settlement of litigation with third parties and Group staff and other contingencies.

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.

The tax audit for the years 2009 and 2010 was completed and the final audit reports were received on 12.6.2017. It found taxes and surcharges payable, amounting to € 483, which were fully covered by the existing provision formed in previous years. (see note 28)

The Group and Company's provisions can be broken down as follows:

	THE GROUP AND COMPANY			
	Other provisions	Provisions for tax	Sludge removal provision	Total
01 January 2017	6,188	500	2,200	8,888
Additional provisions for year	431	-	-	431
Provisions used/reversal of provisions for the period	220	500	-	720
30 June 2017	6,399	0	2,200	8,599

11. 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	
	30-Jun - 17	31-Dec-16	30-Jun - 17	31-Dec-16
Suppliers	4,798	5,663	4,782	5,630
Cheques payable	155	17	154	14
Other Taxes - Duties	2,163	1,057	2,058	1,057
Insurance and pension fund dues	317	312	317	312
Liabilities to related parties:	-	-	454	275
Accrued expenses	2,882	1,467	2,876	1,461
Dividends payable	8,034	118	8,034	118
Sundry creditors	2,151	1,079	2,149	996
Total	20,500	9,712	20,824	9,863

12. SHORT-TERM TAX LIABILITIES

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

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Income tax	4,728	576	4,561	501
	4,728	576	4,561	501

13. INCOME TAX

The tax burden on the results was as follows:

	THE GROUP		THE COMPANY	
	01/01-30/6/2017	01/01-30/6/2016	01/01-30/6/2017	01/01-30/6/2016
Income tax	4,149	4,766	4,116	4,766
Deferred tax	240	478	240	478
Total	4,390	5,243	4,356	5,243

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	
	01/01-30/6/2017	01/01-30/6/2016	01/01-30/6/2017	01/01-30/6/2016
Earnings before tax	14,085	10,734	13,970	10,795
Tax calculated at the Company's tax rate (2017: 29%, 2016: 29%)	4,085	3,113	4,051	3,131
Expenditure not exempted from income tax	85	153	85	153
Permanent differences	220	1,977	220	1,960
Total taxes in Comprehensive Income Statement	4,390	5,243	4,356	5,243

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 liability recognised by the Group and the Company is broken down as follows:

	THE GROUP		THE COMPANY	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Balance at start of period	3,376	4,467	3,376	4,467
Income/equity tax	(241)	(1,091)	(241)	(1,091)
Balance at end of period	3,135	3,376	3,135	3,376

THE GROUP

	On 31/12/2016	Credits (Charges) of profit and loss	Credits (Charges) Equity	On 30/06/2017
Deferred tax liabilities				
Adjusted of fixed asset subsidies	(2,153)	39	-	(2,113)
	(2,153)	39	-	(2,113)
Deferred tax assets				
Depreciation on tangible assets	3,488	91	-	3,579
Derecognition of long-term depreciation expenses and adjustment of depreciation of intangible assets	199	(14)	-	185
Adjustment of value of receivable accounts	703	0	-	703
Revenue adjustments	168,66 €	(314)	-	(482,66)
Provisions for contingencies - other provisions	610	(5)	-	605
Retirement compensation provision	698	(38)	-	660
	5,529	(280)	-	5,249
Net deferred tax assets in statement of financial position	3,376	(240)	-	3,136
Shown in statement of financial position				
Deferred tax liabilities (net)	-	-	-	-
Deferred tax assets (net)	3,376			3,136
	3,376			3,136

THE COMPANY				
	On 31/12/2016	Credits (Charges) of profit and loss	Credits (Charges) Equity	On 30/06/2017
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(2,153)	39	-	(2,113)
	(2,153)	39	-	(2,113)
Deferred tax assets				
Depreciation on tangible assets	3,488	91	-	3,579
Derecognition of long-term depreciation expenses and adjustment of depreciation of intangible assets	199	(14)	-	185
Adjustment of value of receivable accounts	703	0	-	703
Revenue adjustments	168,66€	(314)	-	(482,66)
Provisions for contingencies - other provisions	610	(5)	-	605
Retirement compensation provision	698	(38)	-	660
	5,529	(280)	-	5,249
Deferred tax assets (net) in the statement of financial position	3,376	(240)	-	3,136
Presentation in statement of financial position				
Deferred tax liabilities (net)	-	-	-	-
Deferred tax assets (net)	3,376			3,136
	3,376			3,136

The deferred tax assets and liabilities of 30.6.2017 as well as any income tax charged to the comprehensive income statement of 1.1 – 30.6.2017, have been recognised based on the tax rates applying on 30.6.2017 (29%).

14. EARNINGS PER SHARE

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

	THE GROUP		THE COMPANY	
	01/01-30/06/2017	01/01-30/06/2016	01/01-30/06/2017	01/01-30/06/2016
Net profits payable to the Company's ordinary shareholders	9,695	5,490	9,614	5,552
Average weighted number of shares in circulation	36,300,000	36,300,000	36,300,000	36,300,000
Less: Average weighted number of own shares				
Total 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)	0.2671	0.1513	0.2648	0.1529

15. TRANSACTIONS WITH RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons). The Group's trading transactions with these related parties during the 1.1.2017-30.6.2017 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1.1.2017 - 30.6.2017 period and on 30 June 2017 respectively, are broken down in the following tables:

	THE GROUP		THE GROUP	
	01/01/2017 - 30/6/2017	01/01/2016 - 30/6/2016	01/01/2017 - 30/6/2017	01/01/2016 30/6/2016
Income	-	-	-	-
Expenses	-	-	1,125	868
Transactions with and fees for executives and board members	315	410	314	409

	THE GROUP		THE GROUP	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Receivables	-	-	24	120
Liabilities	-	-	454	275
Receivables from management executives and board members	3	4	3	4
Liabilities to management executives and board members	4	20	2	20

The company's expenses of € 1,125 are related to meter reading and receipt distribution services, as well as other services provided by subsidiary "EYATH SERVICES S.A.". The Company's receivable of € 24 mainly relates to receivables from approved dividends. The Company's liability of € 454 arises from the meter reading, receipt distribution and other services provided by the subsidiary "EYATH SERVICES S.A.".

16. COMMITMENTS FROM CONTINGENT LIABILITIES**16.1 Contingent liabilities from disputes in litigation or arbitration**

On 30.6.2017 there were lawsuits, extrajudicial invitations and in general future claims of a total amount of € 24,000 approximately against the Group, for which a provision of € 6,398 had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 10).

The Company and 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 Company and Group's assets and operation.

16.2 Commitments from operating leases

As at 30.6.2017, the Group had entered into operating leases for real estate properties, which will gradually come to an end by 2022. The operating lease rents which were recorded in the income statement of the current period were € 244 (30.6.2016: € 261).

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:

	30-Jun-17	30-Jun-16
0 – 1 years	253	315
1 – 5 years	153	203
Over 5 years	-	-
	<u>406</u>	<u>518</u>

16.3. Other contingent liabilities

The Group on 30.6.2017 had provided performance bonds for project contracts of a total amount of € 455 (31.12.2016: € 522).

16.4 Unaudited tax periods

Unaudited tax periods

As of September 2016, the Large Enterprises Audit Centre of the Ministry of Finance has been conducting a statutory tax audit of the Company for years 2009 and 2010. The audit was completed and the final audit reports were received on 12.6.2017. It found taxes and surcharges payable, amounting to € 483, which were fully covered by the existing provision formed in previous years. (see note 10)

Moreover, the subsidiary has not been audited by the competent tax authorities for years 2010 and up to this year.

For those years which remain unaudited, Company Management is of the view that no major differences will arise and so no provision has been formed.

For the years 2011 to 2016, the Company and its subsidiary EYATH Services S.A. have undergone the tax audit of certified public accountants, as provided for in Article 82(5) of Law 2238/1994 (for the years 2011 to 2013) and Article 65a of Law 4172/2013 (Income Tax Code) (for the years from 2014 onwards). Upon completion of the tax audit by the certified public accountants for the periods 2011-2015, 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 the year 2016, the Tax Compliance Reports are expected to be provided after the publication of the interim condensed financial statements for the 1.1 - 30.6.2017 period. After 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 impact, other than those recorded in the separate and consolidated financial statements.

17. NUMBER OF STAFF EMPLOYED

The number of staff employed at the end of the current period was 217, compared to 222 at the end of the previous period.

18. 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.

During the current period, Panagiotis Gogos was elected as an independent non-executive member of the Company's Board of Directors by decision No. 139/6.4.2017 of the Board, and also as Chairman of the Audit Committee, replacing I. Antoniadis. The Ordinary General Meeting of Shareholders decided on 8.6.2017 that the Board's Vice Chairman, Styliani Valani would be a non-executive member.

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 and put in place arrangements for repayment of debts under favourable terms.

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 62 have already started work, 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 effective from 1.1.2017, 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. To ensure better coordination between Company divisions, a Management Board was instituted, which operates on the basis of updated by-laws.

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 choices 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 to transfer the shares held by HRADF to the Public Holdings Company S.A. when it is established. So far, that transfer has not yet been completed and HRADF is still a shareholder in the Company, with a 74.02% stake.

On 17.5.2017 the Governmental Financial Policy Council approved HRADF's revised business plan dated 31.1.2017.

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 Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period (decisions No. 043/2017 & 159/2017) 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 to the Thessaloniki Water Treatment Plant (Phase 'A2') to ensure an extra quantity of water (150,000 m³/day) 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.

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 and the EYATH Fixed Assets' investment plant worth € 19.3 million) is € 166 million and will be implemented by the Company over the next 6 years.

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors of EYATH S.A. decided on 27.7.2017 to elect Mrs. Marina Kouri as a non-executive member to replace Eleftheria Karahaliou, HRADF representative, who had resigned.

There are no events after 30.6.2017, which could materially affect the financial standing 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, 28 September 2017

Ioannis Krestenitis

Ioannis Papaioannou

Dimitrios Alexandris

Chairman of the Board of Directors

Vice Chairman

CFO

ID Card No. AB 680550

ID Card No. AE 183479

ID Card No. AZ 683204

No. Econ. Chamber of
Greece Licence No. 1st Class
0105601