YEARLY FINANCIAL REPORT

For the fiscal period from the 1st of January 2011 – 31st of December 2011

(In accordance with article 4 L.3556/2007)

Joint Stock Companies Registration Number: 41913/06/B/98/32

127 Egnatias Street - 54635 Thessaloniki

Yearly Financial Report

For the fiscal period from the 1st of January 2011 until the 31st of December 2011

In accordance with the International Standards of Financial Informing

It is certified that the attached Brief Intermediate Financial Report is that approved by the Board of Directors of the "WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI SA" on the 29th of March 2012 and has been posted on the internet at www.eyath.gr. It is noted that the published in the press brief financial data aim to offer the reader some general financial data but they do not provide a complete picture of the financial state and results of the Group and the Company, according to the International Standards of Financial Informing. It is also noted that, for simplification's sake, in the published to the press brief financial data, there have been certain consolidations of funds.

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(Amounts in thousands Euro)

Statements from the members of the Board of Directors

(In accordance with article 4 par. 2 of L. 3556/2007)

We, the members of the Board of Directors of the S.A Company **WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A.** under the trade name EYATH S.A, based at 127 Egnatias Street, in Thessaloniki (P.C 54 635):

1. Konstantinos Kamakas, BoD Chairman,
2. Nikolaos Papadakis, Managing Director,
3. Dimitrios Asvestas, Vice Chairman of the Board of Directors

In accordance with the provisions of article 4, par. 2 of L.3556/2007, state and certify that, to the best of our knowledge:

(a) the attached yearly, company and consolidated financial statements of EYATH S.A for the fiscal period 01.01.2011-31.12.2011, drawn up according the current International Standards for Financial Informing, truthfully show the assets and liabilities data, the net worth and the results for the fiscal period of EYATH S.A, as well as of the companies included in the integration as a total

(b) The yearly report of the Board of Directors of EYATH S.A truthfully shows the development, results and financial state of EYATH S.A as well as of the companies included in the integration as a total, including the description of the risks and uncertainties they face

Thessaloniki, 29th of March 2012

The Certifying Members

Konstantinos Kamakas	Nikolaos Papadakis	Dimitrios Asvestas
Chairman of the BoD I.D Card No: AA 942423	Managing Director I.D Card No: AZ 187068	Vice Chairman of the BoD. I.D Card No: Λ 184072

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF EYATH SA

(in accordance with the provisions of article 4 L.3556/2007 and the respective decisions of the Bod of the Capital Market Committee for the fiscal period from the 1st of January 2011 - 31st of December 2011)

Dear Shareholders,

According to the provisions of L.3556/2007 and the respective decisions of the Capital Market Committee, we submit the present Yearly Report of the BoD for the current fiscal period (1/1/2011-31/12/2011).

The present report offers brief financial information on the financial state and the results of the Company EYATH S.A and the Group of companies EYATH S.A, a description of the most important facts that took place during the closing fiscal period, a description of the important facts that took place after the balance sheet date, a description of the expected development of Group and Company activities, information regarding the management of significant financial risks which the Group and the Company are called to face, a list of the important transactions drawn up between Company and the Group and associated persons as well as other information regarding stocks, equity capital and important agreements valid on the ending of the closing fiscal period.

BRIEF FINANCIAL INFORMATION ON THE GROUP AND THE COMPANY

The Group includes a) the Company «WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A. », under the trade name EYATH (hereafter "COMPANY" or "EYATH S.A") was founded in 1998 (Law no. 2651/3-11-1998 (GN. A΄ 248/2-11-1998) deriving from the merging of the S.A "Thessaloniki Water Supply Organization S.A"(OYTH S.A.) and b) the «Thessaloniki Sewerage Systems Company S.A" (OATH S.A) which had been turned into S.A's in 1997, and the subsidiary company EYATH Services S.A aiming to supply water supply and sewerage services of any type, telecommunication services as well as the production and sale of electricity.

FINANCIAL INFORMATION – WORK IN PROGRESS

The financial data shown below regard the EYATH S.A Group.

(Amounts in thousands Euro)

The Group's turnover for the closing fiscal period reached € 75,400 as opposed to € 71,182 during the respective fiscal period last year thus increasing by € 4,218 or 5.93%. Cost of sales amounted to € 42,876 against € 44,878 in 2010, thus decreasing by € 2,002 or 4.46%. Earnings before taxes for the Group in 2011, amounted to € 26,008 against € 20,878 in the previous fiscal year, thus increasing by € 5,130 or 24%. Finally, earnings after taxes for 2011 amounted to € 20,595 against € 12,402 in 2010, thus increasing by € 8,193 or 66%.

The company turnover resulted from sales of water supply and sewerage systems services. The increase in turnover is due to the prices adjustment under the Governmental orders in the levels of 2012.

The increase on net earnings is attributed to the increase of turnover and the further decrease of operating expenses as well as the decreases income tax as the previous fiscal year was under the tax burden according to L.3845/2010 and the provision for tax audit balances as was completed in August 2010. Gross profit in 2011 amounted to € 32,524 against € 26.304 in the previous year, an increase of € 6,220 or 23.65%.

Earnings before interest, taxes and depreciations (EBITDA), of EYATH S.A. for the current fiscal period amounted to €28,792 against € 24,830 an increase of € 3,962 or 16%.

Finally, cash reserves and equivalents for the ending of the fiscal period on the 31/12/2011, amounted to € 23,159 against € 14,364 on the 31/12/2010 an increase of € 8,795 or 61%.

GROUP FINANCIAL INDICATORS

	2011	2010	Difference
PRODUCTIVITY RATIOS			
GROSS PROFIT MARGIN	43.14%	36.95%	6.18%
EBITDA margin	38.90%	34.88%	4.02%
EBIT margin	31.06%	26.71%	4.35%
EBT margin	34.49%	29.33%	5.16%
EAT margin	27.31%	17.42%	9.89%
CAPITAL RETURN RATIOS			
ROE	20.86%	21.96%	-1.10%
ROA	14.33%	13.99%	0.34%
LIQUIDITY RATIOS			
Liquidity (Current Assets / ST Debt)	2.76%	2.18%	57.93%
CAPITAL STRUCTURE & SUSTAINABILITY RATIO			
Equity / Debt	219.11%	182.32%	36.79%
Investment Ratio			
EPS after tax	0.5674	0.3417	22.57%

INVOICING POLICY

The Company's Board of Directors with the number 517/2006 decision has approved the new invoicing policy for the five year period 2007 – 2011, validated by the number 11741/29-12-2006 JMD of the Minister of Economy and Finance and Minister of Macedonia Thrace, (G.N 202, Issue B' 16-2-2007) applied since May 2007, regarding water consumptions from the 1/1/2007 providing for a yearly re adjustment of the cost of any kind of water supply and sewerage systems services.

On the 18.11.2008 the Board of Directors decide to freeze water invoices (price of water) and sewerage services (sewerage percentage) for 2009 to the 2008 prices for the first three grades of consumption (low and middle incomes) and to further decrease by 20% for 2009 invoices for families with more than three children.

On the 30.06.2010 the Regular General Stockholders Meeting decided to maintain the same prices regarding household invoices for a further 4 months, that is, until the 31st of August of the current year and to apply the JMD11741/2006 (G.N.202 issue B΄16-2-2007), starting September of the current year to prices current in 2010.

Under the 128/2011 Governmental decision which was approved by the Board of Directors in the ordinary General Meeting of the Shareholders on the 4th of August 2011, under application for all 2011 will be all prices that the decision of 11741/2006 approves for 2010.

IMPORTANT FACTS FOR 2011

In a period where the main objective is the sustainability in growth as well as many humanitarian choices, EYATH SA combines the entrepreneurial activity with the social responsibility, providing highly targeted eater and sewerage services under the minimum possible cost. The protection of the water sources and the provision of excellent quality drinking water takes place aside the interest for the protection of the environment mostly the zero pollution of the Thermaikos Bay.

Within this frame the following are planned and set in motion:

- The upgrading of the Sewage Processing Unit in co operation with E.T.V.A as the agent responsible for the management of the Industrial Area of Sindos.
- The electronic monitoring of the Water Supply and Sewerage systems networks so as to have a detailed image regarding the operation and maintenance of the networks.
- The replacement of conventional water meters with electronic ones which will ensure a faster and more precise recording of water consumption.
- The partial replacement of the old network in order to minimise leaks and the minimisation of the water cuts.

There were also constructed and given in operation plants on biological sewerage treatment such as sludge draining and other works of €17.5 mil. and more are under construction of €4.5 mil..

In the same direction and in the framework of NSRF two more works were announced which will be under auction in April 2012 with the co finance of NSRF. The plants concern the 'Construction of Section B of the Central Sewerage Pipe of Thessaloniki' under budget of €44 mil. and the 'Construction of Extension of Water Treatment of Thessaloniki Phase 2' budget of €36.5 mil..

Finally, the policy that was exercised by the management gave the following results.

- The compilation of credible budgets for the period 2010 -2011. A fact that was not observed in the previous years.
- The finalisation of the liabilities for the previous years.
- The improvement of infrastructure and facilities. Especially for the last point we must comment that all the amounts spent were important for the maintenance of the facilities and infrastructure improvements, which were under the need of immediate restoration due to their abandonment in the previous years.

Also, the company management started to handle the issue of the product of the biological treatment of E.E.L.T. Specifically for the period 2010 – 2011 there were removed from the facilities of the company 17,000 tonnes of dried sludge, for the production of biological fertilisers for the immediate use in cultivation and the production of compost. Finally, within 2012 it has commissioned a preliminary study, which will search all the relevant ways for sludge treatment and the determination of possible actions that may taken care of for that issue, in conjunction with the products of the heat dried plant under operation.

PROSPECTS – RISKS FOR 2012

PROSPECTS

The Company Strategy aims to fulfill its obligations as a Public Utility Company in combination with the increase of the stockholders wealth. For this reason it always seeks to improve the quality of the supplied services through its investment program, through the improvement of infrastructure, the expansion of Technological infrastructure and the use of sophisticated software and development of specialized computer applications. The company's driving force is the staff of EYATH S.A.

According to article 26 of L. 2937/2001, the Company's territorial jurisdiction, within which it can supply its services and perform activities are the following:

REGARDING WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipoi, Kalamaria, Neapoli, Sikies, Agios Pavlos, Menemeni, Polichni, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Pylea, Oreokastro, Pefka as well as the Thessaloniki industrial zone.

REGARDING SEWERAGE SYSTEMS: EYATH S.A 's territorial jurisdiction is divided in five areas:

«**Area A**» includes the Municipalities of Thessaloniki, Ampelokipoi, Kalamaria, Neapoli, Sikies, Agios Pavlos, Menemeni, Polichni, Triandria, Diavata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pilea, Panorama, Oreokastro in the districts of Ionia and Kalochori of the Municipality of Echedoros and the Community of Efkarpia.

«**Area B**» includes the area between the Gallikos and Axios rivers until the sea, in which the industrial zone of the wider Thessaloniki region is included, the district of Sindos of the Municipality of Echedoros, the districts of Agios Athanassios, Agchialos, Gefira of the Municipality of Agios Athanassios and the districts of Chalastra and Anatoliko of the Municipality of Chalastra.

«**Area C**» includes the zone of the high ground of the city complex of Thessaloniki and includes the Community of Pefka and the Districts of Asvestochori, Exochi, Filiro of the Municipality of Chortiatis.

«**Area D»** extends from the Municipalities of Kalamaria and Panorama to the municipal baths of Sedes and to the Mikra airport and includes the industrial area and Districts of Thermi, Nea

Raidestos, Neo Risio and Tagarades of the Municipality of Thermi and the Agia Paraskevi district of the Municipality of Vassilika.

«**Area E»** extends from the Mikra airport and the districts of Neo Risio and Tagarades, Agia Paraskevi until the sea and includes the Districts of Agia Triada, Perea, Neoi Epivates of the Municipality of Thermaikos and the districts of Nea Michaniona , Emvolo, Aggelochori of the Municipality of Michaniona.

The Company, by signing a contract with the relevant Municipality and EYATH Fixed Assets, can undertake the existing network of the L.A.O in any one of the above mentioned areas and the obligation to supply water supply and sewerage systems services to the Municipality they signed with.

By a contract signed by the relevant municipality and EYATH Fixed Assets and approved by the joint decision of the Ministers for Decentralization and Electronic Governing, of Finance and Financial Affairs, Development, Infrastructure-Transportation & Networks, the Company can extend its activities in areas of a Local Authority Organization outside the above mentioned areas.

Also, the completion of operations is expected, as far as the extension of the Company activities are concerned in cooperation with the Kallikratis Municipalities of Delta, Pylaia, - panorama, Chortatis, Thermaikos as well as their addition to the network of EYATH SA of the Nikopolis area.

For the short term the Company Management has settled the following priorities:

- The reuse of treated liquid sewerage for agricultural cultivation which are adjustment to the biological treatment plant of Sindos.
- The enforcement of the production plant and the exploitation of biogas and sludge already in the Sindos plant and the exploitation of its heating activity it provides.
- In target to investigate its entrepreneurial operations, the exploitation of optic fibers network is studied within the sewerage system, for the provision of electronic services.

Finally, the Business Plan of the company includes the modernization of infrastructure and facilities as well as the technological upgrade and the extension of operations in Northern Greece and the Balkans. Towards this direction, EYATH SA is working closely with EYDAP, the Association of Public Water – Sewerage Companies, the Local Authorities and has signed an MOU with the national Portuguese company Aguas de Portugal, S.G.P.S., S.A.

COMPANY AND GROUP OPERATIONS IN THE FIELD OF RESEARCH AND DEVELOPMENT

The Group in the current fiscal period realized research and development expenses of € 446 in total, which regarded the development of new products.

SAFETY, ENVIRONMENT AND STAFF TRAINING

Workplace safety, the protection of the environment, the peaceful co existence with the local community and the continual training of staff, remain as primary goals of the Company, directly related to the Company operation.

COMPANY BRANCHES

The Company in the current fiscal period, just as in the previous one, did not keep any branches through which to perform its business activity.

OWN STOCKS OWNED BY THE GROUP AND THE COMPANY

At the ending of the current fiscal period there were no shares of the parent company owned by the Company itself or by any other company included in the integration.

RISKS

Risks regarding the field the Group is active in

With regard to the possibility of a future free market, in relation to European law and the possible consequences such a thing would have on the company, it is mentioned that due to the nature of the existing infrastructure (mainly underground networks and tanks), the water supply and sewerage systems field is a fine example of a natural monopoly, where it would be extremely difficult to develop alternative networks, and to create competition where consumers could choose their own suppliers of processed water (drinking water).

It is also noted that in the total of European Union countries, as well as in the rest of the world, water supply and sewerage systems services are provided by private or state companies (or Local Authorities) without the possibility of competition within the specific geographical limits where such companies are to provide their services.

The very specific characteristics of the field of water supply and sewerage systems (which distinct the specific field of Public Utility), are recognized by the European Union and up to today there has not been any issue regarding the abolishing of the monopoly of the field and development of competition, as for example there has been in the field of telecommunications services.

Therefore, we consider that there is no such possibility in the foreseeable future at least for the development of competition in the specific field. The only case for which, a possible, future European Union legislation could impose some form of competition is, if it demands, that the selection of a provider of services for water supply and sewerage systems will take place only after an open bid, so that the element of competition can be achieved through these means and not to a level of service supply but to a level of selecting the legal entity who would manage the existing water supply and sewerage systems networks to supply services to consumers.

Factors of financing risks

The main financing tools of the Group are cash, bank deposits, commercial and other claims and liabilities and bank loans. The Group's Management regularly examines and reviews the relevant policies and procedures regarding the management of the financial risks, such as the credit risk and the flow risk, which are described below:

Market Risk

(i) Exchange Risk

The Group does not face any exchange risks as during the ending fiscal period it had not performed any transactions in foreign currency and the total of its assets and liabilities was in Euros.

(ii) Price Risk

Regarding the price risk the Group is not exposed to a significant risk of fluctuation of the variables which determine revenues and cost. The invoicing policy of EYATH S.A has been determined for the time period from the 1/1/2007 until the 31/12/2011 for water supply and sewerage services, providing for an average increase of approximately 4%.

(iii) Cash flows and risk of reasonable value interest

The Group faces no interest risk as its loans are on fixed interest rate.

On the contrary, the Group faces limited interest rate risk in the sigh deposits and therefore, income and operational cash flows are up to a point dependent on the changes in the interest rate market.

The Management continually monitors the fluctuations in interest rates and evaluates the duration and type of sight deposits accordingly per case.

Credit Risk

Credit risk is managed on Group basis. Credit risk derives from cash flows and bank deposits, as well as from credit reports to clients including important claims and performed transactions.

The Group has a clear credit policy which is thoroughly applied. Moreover, it has a large number of clients and therefore the wide disperse of its customer base contributes to a low credit risk in relation to the claims. The Group's management continuously tracks the financing state of its customers, the size and the limits of the given credit. At the end of the fiscal period, the Management deemed that there is no significant credit risk that would not be covered by a provision of doubtful debt. The maximum exposure to credit risk can be reflected by the height of each element of the assets.

(Amounts in thousands Euro)

Liquidity Risk

Liquidity risk is kept at low levels through the availability of adequate cash flow.

IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND ASSOCIATED PERSONS

The Group and the Company consider as associated persons the members of the Board of Directors, the Executive Members and the stockholders holding a percentage larger than the 5% of its capital stock (including their associated persons). The transactions and the balances of the associated persons of the Group and the Company, for the fiscal period 1/1 – 31/12/2011 and the 31st of December 2011 respectively, are analyzed in the below board:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income	-	-	14	66
Expenses	-	-	1.111	791
Transactions & salaries of managerial and administrative staff	864	823	862	811

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Claims	-	-	99	88
Obligations	-	-	144	70
Claims from managerial staff and board member	20	13	20	13
Obligations from managerial staff and board members	4	3	2	6

COMPANY CAPITAL STOCK STRUCTURE

The Company capital stock is forty million six hundred fifty six thousand Euros (€ 40.656.000) divided into thirty six million three hundred thousand (36.300.000) common bearer shares with a voting right, of nominal value one Euro twelve cents (€ 1,12) each.

The Company shares are introduced for negotiation in the Athens Stock Exchange (Category: High Capitalization). Shareholder rights deriving from shares depend on the percentage of the capital to which the paid share value responds.

Each share offers all rights in accordance with relative Laws and the Company statute, in particular:

- The right to a dividend cut on Company yearly earnings.

A percentage of 35% on the net earnings after deducting the regular reserves only is distributed each fiscal year to the shareholders as first dividend unless otherwise directed by the General Meeting, while an additional dividend is also decided on likewise by the General Meeting. For the 2010 dividend a 0,114 €/share is suggested so as to avoid likely cash flow issues due to the large investment program the Company is currently employing. Every shareholder is entitled to a dividend cut on the date of dividend beneficiary determination. The dividend cut for each share is paid to the shareholder within two (2) months from the date the Regular General Meeting approved the Yearly Financial Statements. The when and how the dividend is paid is announced in the press. The right to the dividend is erased and the respective amount is transferred to the Greek state after five years from the ending of the fiscal year in which the dividend cut was approved by the General Meeting.

(Amounts in thousands Euro)

- The right to withdraw the contribution during the settlement or respectively the amortization of the capital that responds to the share if so decided by the General Meeting.
- The preference right in each capital stock increase by the Company in cash payment and the acquisition of new shares.
- The right to receive a copy of the Financial Statements and the Chartered Auditors' Reports and the Board of Directors' Report.
- The right to participate in the General Meeting, in particular in the following rights: legalization, presence, participation in discussions, suggestion submissions on daily agenda issues, registration of views in the records and voting rights.
- The General Meeting of Company Shareholders maintains all its rights during the settlement.

Shareholders accountability is limited to the Nominal value of the owned shares.

LIMITATIONS ON TRANSFER OF COMPANY SHARES

The transfer of shares is carried out in accordance with Law 2190/1920 article 8b and there are no limitations regarding the transfer of shares in the statute. The shares are bearer shares introduced in the Athens Stock Exchange. In addition, article 18, par.8, L. 2937/2001 (GN 169/26-7-2001) provides that *«the Greek State may make shares available to investors up to a percentage of 49% of the occasional capital stock of the Company»*.

IMPORTANT DIRECT OR INDIRECT PARTICIPATIONS, UNDER THE PROVISIONS OF ARTICLE 9 TO 11, L.3556/2007.

Stockholders with a percentage larger than 2 % on the 31/12/2011 were the following:

SHAREHOLDER	NUMBER OF SHARES	% PARTICIPATION 31/12/2011
Greek State	26,868,000	74.02%
SUEZ ENVIRONNEMENT COMPANY	1,982,870	5.46%
Other shareholders with participation less to 2.0 %	7,449,130	20.52%
TOTAL	**36,300,000**	**100.00%**

OWNERS OF ANY KIND OF SHARES OFFER SPECIAL CONTROL RIGHTS

There are no Company shares that offer owners any special control rights.

LIMITATIONS ON VOTING RIGHTS – DEADLINE FOR PRACTISING THE RELEVANT RIGHTS

The Company statute does not provide limitations on the voting rights that derive from its shares.

AGREEMENTS AMONG COMPANY SHAREHOLDERS

The Company is not aware of the existence of agreements between shareholders, which would conclude in limitations in the transfer of shares or the practicing of voting rights which derive from the shares.

RULES REGARDING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND STATUTE AMENDMENTS

The rules provided in the Company statute for the appointment and replacement of members of the Board of Directors and the amendment of the statute provisions do not differ than what is mentioned in E.L. 2190/1920.

JURISDICTION OF THE BOARD OF DIRECTORS OR OF CERTAIN MEMBERS FOR THE ISSUANCE OF NEW SHARES OR THE PURCHASE OF OWN SHARES

According to article 5 of the Company statute, by a General Meeting decision of a two thirds (2/3) majority at least, subject to article 7b E.L. 2190/1920 as valid, may give the BoD the right to increase capital stock fully or partially, by issuing new stocks up until the amount of capital paid at the date the BoD received the respective competency. For the purchase of own shares, the Board of Directors competency does not differ than what is mentioned in article 16 E.L.2190/1920. There is no opposing provision in the Company statute.

EACH IMPORTANT AGREEMENT THE COMPANY HAS SIGNED, THAT COMES INTO EFFECT, IS AMENDED OR EXPIRES IN CASE OF CHANGE IN COMPANY CONTROL FOLLOWING A PUBLIC MOTION

There are no agreements that become valid, are amended or expire in the case of a change in the control of the Company following a public motion.

EACH AGREEMENT THE COMPANY HAS SIGNED WITH MEMBERS OF THE BOARD OF DIRECTORS OR ITS STAFF, WHICH PROVIDES FOR COMPENSATION IN CASE OF RESIGNATION, REDUNDANCY WITHOUT PLAUSIBLE CAUSE OR EXPIRATION OF TERM OR EMPLOYMENT DUE TO A PUBLIC MOTION

There are no Company agreements with members of the Board of Directors or its staff, which provide for the payment of compensation particularly in case of resignation or redundancy without plausible cause or termination of term or employment due to a public motion.

DIVIDEND POLICY

Given the prosperity of the Company, the Company Management has suggested a dividend cut of € 0,188per share. In particular, the Dividend is suggested at € 6,824 for the fiscal year 2011, which regards a percentage of 35% of net earnings after deducting only the regular reserves in accordance with the current law, against € 4.138 in the previous fiscal year 2010, for the total of the 36.300.000 bearer shares.

CORPORATE GOVERNANCE STATEMENT

I. Company Management Principles

With the present statement, the Company, following the provisions of paragraph 3d, article 43a of E.L. 2190/20, announces that the Company Management Code is applied for the introduced companies of the Association of Business and Industries (SEV), as published in January 2011 which can be found in the respective SEV webpage www.sev.org.gr.

The Company Management Principles followed have been incorporated in the Company's Internal Regulation of Operation, which is available to the public in written form at the company main offices.

The Company generally applies the company management principles in accordance with the Company Management Code of SEV and has not proceeded with any company management practices besides those provided for by relevant laws. Any likely deviations from the code, whose applications are currently examined, are explained below.

II. Main characteristics of the Internal Control and Risk Management in relation to the procedure for drawing up the financial statements

The Company has adopted and applies procedures and policies in the total of its Managements, which are described in the Company Regulation of Operation, which are in essence safety valves, so as to ensure the correct depiction of the financial state and performance by the yearly report and the intermediate financial statements regarding:

- The identification and evaluation of existing risks with regards to the credibility of the financial statements.
- The managerial planning and monitoring with regards to financial figures.
- The prevention and disclosure of fraud.
- The determined responsibilities of members with regards to payment, collection and safety of Company assets procedures.
- The closing of the fiscal year procedures as well as those of drawing up the company and consolidated financial statements.
- The assurance of integrity and precision of the offered financial data from Company computer systems.

In particular, regarding risk management, a detailed report is included in the main body of the Board of Directors' Report.

III. Manner of Operation and General Shareholders Meeting, basic authorities, as well as description of shareholder rights and the way in which these rights can be practiced.

a) Manner of operation and General Shareholders Meeting authorities

The manner of operation of the General Shareholders Meeting and their authorities, as well as the shareholders rights and the way in which these rights can be practiced, are included in detail in articles 27 to 38 of the Company statute, which is available to the public in written form at the Company main offices.

The General Shareholders Meeting according to the statute is the highest instrument of management, that decides on every Company case and the General Meeting's legal decisions bind all shareholders.

The General Shareholders Meeting is assembled by the Board of Directors regularly at a time and place determined by the Board of Directors, within the first semester since the ending of each fiscal year.

The assembly of the General Meeting is called at least twenty days prior to the actual realization, by invitation which clearly mentions the time and place of the meeting, the daily agenda and the procedure required so that shareholders can have participation and voting rights.

The General Meeting assembles and is considered in quorum if 1/5 of the total capital stock is represented except for cases where an increased quorum of 2/3 of the total capital stock is required in accordance with the statute.

Shareholders, who participate in the General Meeting and have voting rights, elect a Chairman and Secretary. Daily agenda issues are then discussed and decisions are made on these issues by absolute majority.

Records are kept on the issues discussed and decided on, signed by the Chairman and the Secretary of the meeting.

The General Meeting is solely competent to decide on the below issues:

a) The extension, change, merging or dissolution of the company

b) The amendment of the statute after the permission of the Capital Market Committee

c) The increase or decrease of capital stock

d) The election of members of the BoD, the chartered auditors and evaluators

e) The approval of the yearly financial statements

f) The distribution of earnings

b) SHAREHOLDERS' RIGHTS

Shareholders rights as well as the rights of holders of minority shares are mentioned in the aforementioned articles of the statute.

Company shareholders rights which derive from company shares are in proportion with the percentage of capital to which the paid value of the share responds. Each share offers all rights in accordance with E.L.2190/1920, as current and amended, and the company statute. In particular:

- The right to a dividend cut on Company yearly earnings. A percentage of 35% on the net earnings after deducting the regular reserves only is distributed each fiscal year to the shareholders as a dividend cut, while an additional cut is decided on in the General Meeting. Every shareholder, who is registered in the Company shareholder records, is entitled to a dividend cut on the date of dividend beneficiary determination. The dividend cut for each share is paid to the shareholder within two (2) months from the date the Regular General Meeting approved the Yearly Financial Statements. The when and how the dividend is paid are announced in the press. The right to the dividend is erased and the respective amount is transferred to the Greek state after five years from the ending of the fiscal year in which the dividend cut was approved by the General Meeting
- The preference right in each capital stock increase by the Company in cash payment and the acquisition of new shares
- The right to receive a copy of the Financial Statements and the Chartered Auditors' Reports and the Board of Directors' Report.
- The right to participate in the General Meeting, in particular in the following rights: legalization, presence, participation in discussions, suggestion submissions on daily agenda issues, registration of views in the records and voting rights
- The right to withdraw the contribution during the settlement or respectively the amortization of the capital that responds to the share if so decided by the General Meeting
- The General Meeting of Company Shareholders maintains all its rights during the settlement

Shareholders accountability is limited to the Nominal value of the owned shares.

IV. Composition and operation of the Board of Directors and other managerial, administrative or supervising bodies or committees.

a) Composition and operation of the Board of Directors

The Composition and operation of the Company Board of Directors are included in detail in articles 12 to 25 of the statute, as well as the internal regulation of the Company which is available to the public in printed form a the Company main offices. Up until the drawing up of the present statement, there is no committee for the selection of candidacy.

The Board of Directors which governs the Company today was elected by the Special General Meeting of shareholders on the 10th of December 2009, for a five year term, which expires on the 10th of December 2014 and is composed of the following 11 members:

1. Konstantinos Kamakas, Chairman of the BoD, executive member
2. Nikolaos Papadakis, Managing Director, executive member
3. Dimitrios Asvestas, Vice Chairman, executive member
4. Apostolos Tsolakis, Vice Chairman, executive member
5. Dimitrios Zakalkas, non executive member
6. Thomas Algianakoglou, non executive member
7. Christos Koutrakis, non executive member
8. Savvas Ladopoulos, Independent non executive member
9. Thomas Siampiris, Independent non executive member
10. Georgios Archontopoulos, non executive member
11. Dimitrios Vassiliadis, non executive member

b) Independence of the BoD members

The two independent members of the Board of Directors meet all the requirements of the Code regarding dependence relationships.

c) Board of Directors Meetings

During the fiscal year, 1.1.2010 – 31.12.2010, the Board of Directors assembled in 33 meetings in which all the above mentioned members of the Board of Directors participated either in person or by a legal representative.

d) Committees of the Board of Directors

Control Committee

According to the internal regulation of the Company, a Control Committee operates in the Board of Directors, composed of the non executive members of the BoD, Thomas Algianakoglou and Dimitrios Zakalkas and the independent non executive member of the BoD Thomas Siampiris,

On the regular meetings of the above mentioned committee, realized during the fiscal period 1.1.2011 – 31.12.2011, in which all above mentioned members participated in person, and during which they dealt with the following issues: i) the monitoring of the financial informing process for the fiscal year 2011 and of the 1st and 3rd quarters and 1st semester of 2011, ii) the monitoring of the effective operation of the internal control system and the risk management system, as well as the monitoring of the proper operation of the Director of the company Internal Control Service, Mr. Ioannis Kasioulas, iii) the monitoring of the course of mandatory audits of the respective financial statements by the chartered auditors Ioannis Kalogeropoulos (C.A Reg. No. 0741) and Evangelos Pagonis (C.A Reg. No. 14211) iv) the review and monitoring of issues regarding the presence and maintenance of the objectivity and independence of the above mentioned Chartered Auditors and the familiar auditing company GRANT THORTON HELLAS, regarding in particular the supply of other services as well to the Company.

e) Evaluation and payment of the members of the Board of Directors

Up until the drawing up of the present statement there is no payment committee and no evaluation procedures for the Board of Directors and its Committees.

The evaluation of the members of the BoD and the determination of their salaries as well as the salary of the Managing Director is performed by the General Meeting.

The members of the Board of Directors do not receive additional payment from the Company, with the exception of the Managing Director and the two non executive members of the BoD who represent employees.

f) Management and Company members' behavior

All Management and Company members are obliged to fully abide by the Ethics and Professional Behavior Regulation of the Company, which is included in the Company Internal Regulation of Operation.

Thessaloniki, 29th of March 2012

For the Board of Directors

Konstantinos Kamakas	Nikolaos Papadakis	Dimitrios Asvestas
Chairman of the BoD I.D Card No: AA 942423	Managing Director I.D Card No: AZ 187068	Vice Chairman of the BoD. I.D Card No: Λ 184072

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **WATER SUPPLY & SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A**

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements of WATER SUPPLY & SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A. and its subsidiaries, which comprise the separate and consolidated Statement of Financial Position as at December 31, 2011, and the separate and consolidated Statement of Comprehensive Income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Amounts in thousands Euro)

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company WATER SUPPLY & SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A. and its subsidiaries as at December 31, 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Other Issues

The separate and consolidated statements for the year ended as at 31.12.2010, had been audited by another Chartered Accountant, who expressed unmodified opinion on March 29, 2011 on the previous year financial statements.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the attached separate and consolidated Financial Statements, in the scope of the requirements of Articles 43a 108 and 37 of Law 2190/1920.

Athens, 29th March, 2012

The Chartered Accountant	The Chartered Accountant
Sotiris Constantinou	Kostas Koutroulos
I.C.P.A. Reg 13671	I.C.P.A. Reg 25701

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Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Ζεφύρου 56, 17564 Παλαιό Φάληρο
Α.Μ. ΣΟΕΛ 127

(Amounts in thousands Euro)

Balance Sheet

	Note	GROUP		COMPANY	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
Fixed Assets					
Non Current Assets					
Tangible Assets	7	90.973	91.255	90.973	91.255
Intangible Assets	8	111	112	111	111
Participations in Subsidiary Companies	9			60	60
Postponed Tax Claims	26	1.069	577	1.069	577
Other Long Term Claims	10	356	366	356	366
Total Fixed Assets		**92.509**	**92.310**	**92.568**	**92.368**
Current Assets					
Inventories	11	1.787	2.247	1.787	2.247
Customers & other Claims	12	64.088	58.621	64.077	58.581
Cash & Cash Equivalent	13	23.159	14.364	22.898	14.134
Total Current Assets		**89.033**	**75.232**	**88.761**	**74.962**
TOTAL ASSETS		**181.542**	**167.542**	**181.329**	**167.330**
OWNER'S EQUITY					
Equity Capital & Reserves					
Equity Capital	14	40.656	40.656	40.656	40.656
Adjustments from equity issue above par	14	2.830	2.830	2.830	2.830
Reserves	15	27.604	26.574	27.595	26.574
Profit (Loss) carried forward		53.562	38.136	53.474	28.099
Total Group Owner's Equity Capital		124.653	108.196	124.555	108.153
Minority Rights					
Total Owner's Equity Capital		**124.653**	**108.196**	**124.555**	**108.153**
LIABILITIES					
Long Term Liabilities					
Long Term Debt	16	152	619	152	619
Provisions for Staff allowances	17	3.687	4.573	3.687	4.573
Risk provisions	18	4.297	2.869	4.297	2.869
State subsidies	19	3.897	4.713	3.894	4.713
Other Long Term Liabilities	20	12.594	12.133	12.594	12.133
Total Long Term Liabilities		**24.623**	**24.907**	**24.623**	**24.907**
Short Term Liabilites					
Suppliers & Other Liabilities	21	24.510	24.534	24.469	24.380
Short Term Debt	16	467	621	467	621
Short Term Tax Liabilities	22	7.288	9.284	7.214	9.269
Total Short Term Liabilities		**32.266**	**34.438**	**32.151**	**34.271**
Total Liabilities		**56.89**	**59.345**	**56.774**	**59.178**
TOTAL OWNER'S EQUITY & LIABILITIES		**181.542**	**167.542**	**181.329**	**167.330**

Notifications in pages 21 to 67 are an indispensable part of the financial statements

(Amounts in thousands Euro)

Income Statement

		GROUP		COMPANY	
	Note	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Turnover		75.400	71.182	75.400	71.182
Less:Cost of Goods Sold	23	(42,876)	(44,878)	(42,158)	(44,242)
Gross Profit Margin		32.524	26.304	33.242	26.940
Other Operational Income	24	2.635	3.406	2.579	3.36
		35.159	29.710	35.821	30.300
Distribution Expenses	23	(4,365)	(3,081)	(5,091)	(3,872)
Administration Expenses	23	(4,542)	(5,249)	(4,530)	(5,108)
Research & Development Expenses	23	(446)	(541)	(485)	(541)
Operational Expenses	24	(2,389)	(1,826)	(2,385)	(1.823)
Operational Results		23.416	19.013	23.331	18957
Financial Expenses	25	2.592	1.865	2.591	1.864
Operational Income		26.008	20.878	25.992	20.821
Investment Income		-	-	-	-
Earnings Before tax		26.008	20.878	25.936	20.887
Income Tax	26	(5,413)	(8,475)	(5,395)	(8,456)
Earnings After Tax		20.595	12.402	20.541	12.431
Distributed to:					
Parent Company Owners		20.595	12.402	20.541	12.431
Minority Owners		-	-	-	-
Other Total Income After Tax		-	-	-	-
Total Income After Tax		20.595	12.402	20.541	12.431
Distributed to:					
Parent Company Owners		20.595	12.402	20.541	12.431
Minority Owners					
Earnings Per Share (€)	27	0.5674	0.3417	0.5659	0.3425
Basic					

Notifications in pages 21 to 67 are an indispensable part of the financial statements

(Amounts in thousands Euro)

Equity Changes

Group Equity Changes

	Share Capital	Share Premium	Ordinary Reserves	Other Reserves	Profits Carried Forward	Total
Balance carried forward on the 01.01.2011 according to I.F.R.S.	40.656	2.830	6.660	19.914	38.137	108.196
Comprehensive Profits for the period after tax 01/01-31/12/2011	-	-	1.030	-	19.565	20.595
Distributed Dividend	-	-	-	-	(4,138)	(4,138)
Balance carried forward on the 31.12.2011 according to I.F.R.S.	40.656	2.830	7.690	19.914	53.563	124.653
Balance carried forward on the 01.01.2010 according to I.F.R.S.	40.656	2.830	6.036	19.914	31.186	100.622
Comprehensive Profits for the period after tax 01/01-31/12/2010	-	-	624	-	11.779	12.402
Distributed Dividend	-	-	-	-	(4,828)	(4,828)
Balance carried forward on the 31.12.2019 according to I.F.R.S.	40.656	2.83	6.66	19.914	38.137	108.196

Company Net Worth Changes

	Share Capital	Share Premium	Ordinary Reserves	Other Reserves	Profits Carried Forward	Total
Balance carried forward on the 01.01.2011 according to I.F.R.S.	40.656	2.830	6.653	19.914	38.099	108.153
Comprehensive Profits for the period after tax 01/01-31/12/2011	-	-	1.027	-	19.514	20.541
Distributed Dividend	-	-	-	-	(4,138)	(4,138)
Balance carried forward on the 31.12.2011 according to I.F.R.S.	40.656	2.830	7.680	19.914	53.475	124.555
Balance carried forward on the 01.01.2010 according to I.F.R.S.	40.656	2.830	6.032	19.914	31.117	100.550
Comprehensive Profits for the period after tax 01/01-31/12/2010	-	-	622	-	11.81	12.431
Distributed Dividend	-	-	-	-	(4.828)	(4.828)
Balance carried forward on the 31.12.2010 according to I.F.R.S.	40.656	2.830	6.623	19.914	38.099	108.153

Notifications in pages 21 to 67 are an indispensable part of the financial statements

(Amounts in thousands Euro)

Cash Flow

Indirect Method

	Note	GROUP 31/12/2011	GROUP 31/12/2010	COMPANY 31/12/2011	COMPANY 31/12/2010
Cash Flows from Operating Activities					
Profit/(Loss) before tax (continued operations)		26.008	20.878	25.936	20.887
Plus (minus) adjustments for :					
Depreciation		6.253	6.155	6.252	6.154
Depreciations of state subsidies' fixed assets		(877)	(338)	(877)	(338)
Provision		3.907	224	3.907	224
Participation Income		-	-	(66)	(66)
Interest and related (income)/expenses	25	(2,592)	(1,865)	(2,591)	(1,864)
		32.699	**25.035**	**32.613**	**24.997**
Decrease / (increase) of Inventories		360	(21)	360	(21)
Decrease / (increase) of customers & claims		(8,242)	(9,967)	(8,311)	(9,890)
Increase / (decrease) of customers & liabilities (except bank loans)		432	3.873	543	3.812
Decrease / (Increase) of other long term claims		10	(1)	10	(1)
(Less):					
Interest paid and related expenses paid		(49)	(65)	(48)	(65)
Tax paid		(8,256)	(9.473)	(8,243)	(9.440)
Net Cash inflows / (outflows) from operating activities (a)		**16.954**	**9.938**	**16.924**	**9.392**
Cash Flow from Investing Operations					
Purchase of fixed assets	7	(5,930)	(6.897)	(5,930)	(6.897)
Purchase of non fixed assets	8	(41)	(16)	(41)	(16)
Dividend received		-	-	-	-
Interest received		2.518	1.930	2.517	1.929
Total inflow / (outflow) from investment operations (b)		**(3,453)**	**(4.984)**	**(3,453)**	**(4.984)**
Cash Flow from Financial Operations					
Loan paid		(621)	(689)	(621)	(689)
Income from subsidies		58	303	58	303
Dividend paid		(4,145)	(4,832)	(4,707)	(4.832)
Total inflow / (outflow) from financing operations (c		**(4,707)**	**(5.217)**	**(4,707)**	**(5,217)**
Net increase / (decrease) in cash & cash equivalent of the period (a)+(b)+(c)		**8.795**	**(802)**	**8.764**	**(809)**
Cash & Cash equivalent at the beginning of the period		14.364	15.166	14.134	14.943
Cash & Cash equivalent at the end of the period	13	**23.159**	**14.364**	**22.898**	**14.135**

Notifications in pages 21 to 67 are an indispensable part of the financial statements

NOTES ON THE FINANCIAL STATEMENT

1. GENERAL INFORMATION ON THE GROUP AND THE COMPANY

«THE WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A. » under the trade name E.Y.A.TH. S.A (or the Company) supplies water supply and sewerage services. Also, the Group, through the subsidiary company «EYATH Services S.A», aims to provide services besides those of the parent company, and any kind of telecommunication services and to become active in the production and sale of electricity.

Board of Directors:

1. Konstantinos Kamakas, Chairman of the BoD, executive member
2. Nikolaos Papadakis, Managing Director, executive member
3. Dimitrios Asvestas, Vice Chairman, executive member
4. Apostolos Tsolakis, Vice Chairman, executive member
5. Dimitrios Zakalkas, non executive member
6. Thomas Algianakoglou, non executive member
7. Christos Koutrakis, non executive member
8. Savvas Ladopoulos, Independent non executive member
9. Thomas Siampiris, Independent non executive member
10. Georgios Archontopoulos, non executive member
11. Dimitrios Vassiliadis, non executive member

Headquarters: 127 Egnatia Street
54 635, Thessaloniki
Greece

Joint Stock Companies

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

Auditing Company : GRANT THORNTON AE
Zefyrou 56
175 64 Palaio Falyro
Athens, Greece
Α.Μ.ΣΟΕΛ 127

The Company shares negotiate in the High Capitalization Category of the Athens Stock Exchange.

2. BASE FOR DRAWING UP THE FINANCIAL STATEMENTS

2.1 Framework for drafting of the financial statements

The present financial statements have been drafted according to the International Standards for Financial Informing (ISFI), including the International Accounting Standards (IAS) and interpretations as issued by the Board for the International Accounting Standards, adopted by the European Union up until the 31st of December 2010.

The basic accounting principles applied in drawing up the financial statements for the fiscal year that ended on the 31st of December 2010, are the same as those applied in drawing up the financial statements for the fiscal year that ended on the 31st of December 2009 and are described in those statements. When deemed necessary, the comparative data have been re classified so as to agree with any likely changes in the presentation of the data of the present fiscal period. Any differences likely to occur between funds in the financial statements and the respective funds in the notes are due to roundings of funds.

The financial statements have been drawn up based on the principle of historical cost as announced in the below accounting principles the company follows.

The drawing up of the financial statements in accordance with the ISFI's requires that certain evaluations and acceptances be adopted. It also requires that Management exercises good judgment when applying the accounting principles of the Company. The areas more likely to call for a higher degree of judgment or complexity, or the areas where assessments and evaluations are important in the financial statements, are mentioned below in note 5.

New standards, interpretations and alteration of standards: Particular new standards, alterations thereof and interpretations have been issued, which are mandatory for the accounting fiscal periods beginning during the current fiscal period or later. The group's estimation regarding the effect from the application of these new standards and interpretations are listed below.

2.2 Standards and Interpretations compulsory for the current fiscal period

IAS 24 (Amendment) «Notifications of associated parties»

The present alteration attempts to decrease the notifications of transactions among associated government related entities and to clarify the meaning of associated person. In particular, the government related entities' obligation to publish the details of all transaction with the state and other associated government entities is abolished; it also clarifies and simplifies the definition of 'associated person' and imposes the publication of not only the relationships, transactions and balances among associated parties but of their commitments in the individual as well as the consolidated financial statements. This amendment is not applicable to the Group.

IAS 32 (Amendment) «Financing means: Presentation»

The present alteration provides explanations regarding how certain rights should be listed. In particular, rights, concession rights or share purchase rights for the acquisition of a specific number of own participative titles of the financial entity for a specific amount in any currency, are participative titles if the financial entity offers these rights, concession rights or share purchase rights proportionally to all stockholders of the same category of non productive, participative titles. The specific amendment does not affect the Group's financial statements.

IIIFI 19 «Deletion of Financial Liabilities with participative titles»

Interpretation 19 regards the accounting management by a financial entity that issues participative titles to a creditor, in order to settle fully or in part, a financial liability. This interpretation is not applicable to the Group.

IIIFI 14 (Amendment) «Assets limits for defined benefits, minimum required formed capital and their interaction»

These alterations only apply in limited cases: when the financial entity is subject to a minimum required formed capital and proceeds with a premature payment of contributions to cover those claims. These alterations allow such a financial entity to deal with debt from such a premature payment as an asset. This interpretation is not applicable to the Group.

Alterations on standards that are part of the yearly improvement program for 2010 of the International Accounting Standards Council

The below stated alterations describe the most important changes in the IFRS as a direct consequence of the yearly improvement program of the IASC published in May 2010. Those alterations are not expected to significantly affect the Group's statements, unless otherwise mentioned.

ISFI 3 «Business Mergers»

These alterations offer additional clarifications regarding: a) agreements of likely price deriving from business mergers with acquisition dates prior to the application of the IFRS 3 (2008), b) the measurement of a non majority participation and c) the accounting management of payment transactions that are based on share values and are part of a business merger, including rewards based on share values that have not been replaced or have been replaced voluntarily.

ISFI 7 «Financing Means: Announcements»

The reviews include multiple clarifications regarding the announcements of financing means.

IAS 1 «Presentation of Financial Statements»

This review clarifies that financial entities can present the analysis of the composing elements of other results either in the equity capital changes statement or in the notes.

IAS 27 « Consolidated and Special Financial Statements»

This review clarifies that the alterations of the IAS 21, IAS 28 and IAS 31 which result from the review of the IAS 27 (2008) must be applied in the future.

IAS 34 «Intermediate Financial Informing»

This review emphasizes on the notification principles that should be applied in relation to important facts and transactions, including the changes regarding fair value as well as the need to update the relevant information of the most recent report.

IIIFI 13 – Customer Loyalty Programs

This interpretation clarifies the meaning of the term "fair value", in the frame of measuring the rewards of the customer loyalty programs.

Standards and Interpretations mandatory for fiscal periods beginning on or after the 1st of January 2012

IFRS 9 «Financial means» (applied in the yearly accounting periods starting on or after the 1st of January 2015).

The IFRS 9 is the first phase in the International Accounting Standards Council (IASC) effort to replace the IAS 39 and refers to the requirements for the classification and measurement of financial liabilities. Within its next phases the IASC will expand to IFRS 9, in order for new requirements to be added up for devaluation and financial hedging. The group is in the process of evaluating the affect of the IFRS 9 in the financial statements. The IFRS 9 cannot apply the standard earlier as it has not yet been adopted by the European Union. Only when the standard is adopted will the Group decide whether or not to apply the standard earlier than the 1st of January 2015.

IFRS 13 «Fair value measurement» (applicable on the fiscal years starting on or after the 1st of January 2013)

IFRS 13 provides new guidance on the fair value measurement and its necessary acknowledgements. The requirements of that standard do not give more room for the use of fair value but provide interpretations for its application in the case of mandatory use from other standards. IFRS 13 provides precise definition of the fair value, as well as directives according to the measurement of fair value and its necessary acknowledgments, regardless from the standard which the fair value measurement is based on. Moreover, the necessary acknowledgments cover all the assets and liabilities measured on the fair value and not only the financial ones. The standard is not adopted from the European Union.

IIIFI 20 «Expenses for stripping outdoor mines during the production stage» (applied to the fiscal year financial reports commencing on 1st January 2013 or after)

This amendment provides guidance on the accounting of the expenses for the removal of overburden rocks during the production of a mine. According to this interpretation, the financial mining entities might possibly have to remove in the results carried forward of the beginning of period the capitalized expenses of the mines which cannot be attributed to an identifiable element of an ore body. This interpretation is applicable only to expenses of open cat mines but not to underground mines or to activities of oil mining and natural gas. This interpretation is not yet adopted by the European Union.

IFRS 7 (Amendment) «Financing Means: Announcements» - transfers of financial assets (to be applied on the accounting periods beginning on or after the 1st of July 2011)

This review offers the announcements for transferred financial assets which have not been fully de indentified as well as the transferred assets fully identified but in which the Group remains involved. It also offers guidance on how to apply the required announcements. This alteration has not yet been adopted by the European Union.

IAS 12 (Amendment) «Income Tax» (applied on yearly accounting periods starting on or after the 1st of January 2012).

The alteration of the IAS 12 offers a practical method for measuring the deferred tax liabilities and deferred tax assets when investment property is measured using the reasonable value method in accordance with IAS 40 «Investments on property». This alteration has not yet been adopted by the European Union.

IAS 1 (Amendment) «Presentation of Financial Statements» (applicable on the fiscal years commencing on the 1st of July 2012 or after)

This amendment requires from the financial entities to separate the figures presented in the other total incomes in two groups, based on whether it is possible to be transferred in the financial results or not. This amendment is not yet adopted by the European Union.

IAS 19 (Amendment) «Employee Benefits» (applicable on the fiscal years commencing on the 1st of January 2013 or later)

This amendment bring important changes in the recognition and measurement of the cost of planned defined benefits and benefits for exit from the service (removal of the margin method), as well as the notifications of all the benefits of the employees. The basic changes concern the recognition of the actuarial profits and losses, the recognition of past service/expenses cut costs, the measurement of the retirement pension costs, the required notifications on costs handling and taxation associated with defined benefits, as well as distinguish between short term and long term benefits. The amendment is not yet adopted by the European Union.

IFRS 7 (Amendment) «Financing Means: Announcements» - transfers of financial assets (to be applied on the accounting periods beginning on or after the 1st of January 2013)

This review offers the announcements for transferred financial assets which have not been fully de indentified as well as the transferred assets fully identified but in which the Group remains involved. It also offers guidance on how to apply the required announcements. This alteration has not yet been adopted by the European Union.

IAS 32 (Amendment) «Financing means: Presentation» (to be applied on the accounting periods beginning on or after the 1st of January 2013)

The present alteration provides explanations regarding how certain rights should be listed. In particular, rights, concession rights or share purchase rights for the acquisition of a specific number of own participative titles of the financial entity for a specific amount in any currency, are participative titles if the financial entity offers these rights, concession rights or share purchase rights proportionally to all stockholders of the same category of non productive, participative titles. This alteration has not yet been adopted by the European Union.

Group of Standards according to the consolidation of joint agreements (applied on the fiscal years starting on or after the 1st of January 2013)

IFRS published five new standards on the consolidation and joint agreements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards do apply on the annual accounts on or after the 1st of January 2013. The earlier application is allowed only if all five are simultaneously applied. These standards have not been adopted yet by the European Union. The Group is in procedure of evaluating the effect of those new standards in the annual consolidated accounts. The main conditions of these standards are the following:

IFRS 10 «Consolidated Financial Statements»

IFRS 10 replaces in full the directives concerning the control and the consolidation, arisin from IAS 27 and in SIC 12. The new standard changes the definition of the control as definitive factor in order for the decision to be taken whether an economic entity should be consolidated. The standard provides extensive interpretations on the different ways an economic entity (investor) can control another economic entity (investment). The revised definition of the control focused on the need for a simultaneous right (the ability to define the actions affecting the returns) and the variables (positive, negative or both) for control. The new standard provides interpretations on the collective rights and protective rights, as well as the agent relationships. The Group must apply those alterations on the date specified for application.

IFRS 11 «Joint Agreements»

IFRS 11 provides a realistic treatment of the joint agreements focusing on the right and obligations, on their legal form. The types of the agreements are two: the joint agreements and the consortiums. The method of the proportional consolidation is not allowed. The participants do apply the consolidation on the equity basis. The economic entities that participate in the joint controlled activities do apply a similar financial treatment according to the one applied currently by the participant on commonly controlled assets or activities. The standard provides interpretations on the participants of joint agreements, without common control. The group will apply those changes on the day that these changes become applicable.

IFRS 12 «Disclosure of interests in other entities»

IFRS 12 refers to the required acknowledgments of an economic entity, including the important judges and assumptions, which allow the readers of the financial statements to evaluate the nature, the risks and the economic consequences regarding the participation of an economic entity to subsidiaries, affiliated, joint agreements and non consolidated structured entities. An economic entity has the ability to come forward with some or all of the above acknowledgements without the obligation to apply IFRS 12 in its full, or the IFRS 10 or 11 or the amended IAS 27 or 28.

IAS 27 (Amendment) «Company Financial Statements»

This Standard was published simultaneously with IFRS 10 and in combination, those two replace the standards IAS 27 *«Consolidated and Company Financial Statements»*. The amended IAS 27 defines the accounting handling and the necessary acknowledgments regarding the participations in subsidiaries, consortiums and affiliated when an economic entity prepares company financial statements. Also, the Board of Directors transferred into IAS 27 the terms of IAS 28 *«Investments in Affiliated Companies»* and those of IAS 31 *«Participations in Consortiums»* regarding the company financial statements. The Group will apply those changes on the date that these become applicable.

IAS 28 (Amendment) «Investments in Associates»

IAS 28 replaces IAS 28 «Investments in Affiliated Companies». Te aim of this Standard is to define the accounting handling concerning the investments on affiliated companies and to quote the obligations for the application of the equity position and the accounting on investments on affiliated and consortiums, as arising from the publication of IFRS 11.

3. MAIN ACCOUNTING PRINCIPLES

3.1 Investments on subsidiaries

Subsidiaries are the companies on which the Group controls. The parent company acquires control through voting rights. The existence of potential voting rights that can be exercised when financial statements are drawn up is taken into consideration so as to file whether the parent company has control over the subsidiaries. Subsidiaries are fully integrated (full integration) using the method of acquisition from the date control of the subsidiaries is acquired and cease to integrate on the date that such control no longer exists.

The acquisition of a subsidiary from the Group is amortized based on the method of purchase. The acquisition cost of a subsidiary is the reasonable value of the assets given, the issued stocks and the liabilities taken over on the day of transaction, plus any prospective cost directly connected to the transaction. The personalized assets, liabilities and possible liabilities acquired during a business merging, are considered during the acquisition in their reasonable values, regardless of the percentage of participation. The cost of purchase besides the reasonable value of the side elements acquired is registered as goodwill. Should the total purchase cost be lower than the reasonable value of the side elements acquired, the difference is directly registered in the results.

Intra company transactions, balances and non realized profits from transactions between Group companies are erased. The unrealized losses are also erased but are taken into consideration as an indication of the amortization of the transferred asset. The accounting principles of the subsidiaries have been altered, when deemed necessary, so as to be in unison with those adopted by the Group.

Investments on subsidiaries on individual financial statements of the parent company are valuated in the acquisition cost less any probable accumulated compensation losses.

3.2 Base for Integration:

The integrated financial statements are composed of the financial statements of the parent company and the Group's subsidiaries. In the below board, subsidiary companies which were included in the integration are presented together with the respective participation percentages, the base country as well as the activity for each subsidiary.

COMPANIES	% GROUP	COUNTRY	OPERATION
EYATH S.A.	PARENT	GREECE	Water Provision & Sewerage Systems
EYATH SERVICES S.A.	100%	GREECE	Provision of Water & Sewerage Services, Telecom Services & Production/Sale of Electric Power

3.3 Tangible fixed assets

Tangible fixed assets are presented in cost of acquisition less the accumulated amortizations and any likely depreciation. The cost of acquisition includes all the directly involved expenses regarding the acquisition of the assets. Later expenses are registered as an additional accounting value of the tangible fixed assets or as a separate fixed amount only if there is the possibility that the future financial benefits flow in the Group and their cost can be accurately be measured. The cost of repairs and maintenance is registered in results when realized.

The fields and lots are not depreciated. The depreciation of other assets of the tangible fixed assets is estimated on the basis of the constant depreciation method, throughout the estimated useful life of assets, so as to diminish cost to its residual value as follows:

Buildings and technical works	40 years
Machinery and installations	5-24 years
Transportation means	5-14 years
Furniture and other equipment	3-14 years

The residual values and the useful lives of the tangible assets are liable to review in every annual balance-sheet. When the book values of the tangible assets exceed their repossession value, the adjustments (depreciation) are registered as expenses in the results.

During the sale of the tangible fixed assets, the balances between the part that is received and the accounting value are registered as earnings or losses in the results. Financial expenses regarding the construction of assets are capitalized for the time period required until the completion of the construction. All other financial expenses are identified in the results for the fiscal period.

3.4 Intangible assets

3.4.1 Software

Software concerns the purchase or cost of privately owner output of software such as payroll, materials, and services as well as every expense that has been realised during the development of software in order the latter to be put in use. The expenses that strengthen or expand the efficacy of software beyond their initial specifications are acknowledged as capital expense and they are added in the initial software cost.

The depreciations of software burden the results account with the method of constant depreciation, throughout their useful life. The estimated duration of their useful life is 6 years.

3.4.2 Product Research and Development Cost

The product research and development cost is discounted as it takes place. Development expenses mainly regard the development of new products and production methods. The costs regarding the development of a special program are identified as intangible assets only when the requirements of the IAS38 “Intangible assets” are met.

3.5 Depreciation of the value of assets

The intangible and tangible assets and other non current assets are examined for any depreciation loss, whenever facts or change of circumstances show that their book value cannot be repossessed. Whenever the book value of any asset exceeds its sum of repossession, its corresponding depreciation loss is registered in the gain of the fiscal year. The repossession value of an asset is the highest sum between the estimated net price of sale and the value of its use. Net value of sale is considered the feasible revenue from the sale of an asset in the framework of mutual transaction, in which the parties have complete knowledge and act willingly, after the deduction of any additional direct cost of disposal of this asset. Value of use is the current value of the estimated future cash flows that are expected to be realised from the continuous use of the asset and from its disposal at the end of his useful life. If does there is no possibility to estimate the repossession sum of the asset, for which there is evidence of depreciation of its value, then the repossession sum of unit that creates cash flows, in which the asset belongs, is determined.

Cross-entry of the depreciation of the value of an asset that was entered in the previous years, taken place only when there are adequate evidence that this depreciation exists no more or has been decreased. In this case, the above mentioned cross-entry is acknowledged as income.

3.6 Reserves

Reserves are presented in their lowest value between the acquisition or production cost and their liquid value. Cost is determined using the method of monthly weighed average. Financial expenses are not included in the expenses for the acquisition of the reserves. Net liquid value is estimated based on the current price of sale for the reserves, in the frame of usual activity decreased by the sale expenses per case.

In particular, the reserves of stock spare parts, bought during the purchase of machinery stage, are considered an indispensable part of the machinery's value and they are amortized along with the machinery, while the replacements of used spare parts are expended at the time of their purchase. The expendable material for the maintenance of the machinery and the general spare parts are included in the reserves and included in expenses at the time they are consumed.

3.7 Customer and other claims

Customer claims are initially listed in their reasonable value and later assessed in unamortized cost with the use of real interest, minus the impairment damages. The impairment damages (losses from bad claims) are identified only when there is objective proof that the Group and Company are not in a position to collect all amounts that are due according to contract terms. The impairment damage amount is the difference between the accounting values of the claims and the present value of the estimated future cash flows, discounted with real interest. The impairment damage amount is listed as expenses in the results statement in the Total Revenues budget "Distribution Expenses". Any deletion of doubtful claims balance is charged in the existing provision for doubtful claims. To delete doubtful claims balances which exceed the formed provision, the results are burdened. In case of deleted doubtful claim the amount is registered as revenue in the results of the fiscal period during which it was received.

3.8 Cash Flows

Reserve assets include the cash flows balances, such as sight deposits and short-term fixed deposits. Bank overdrafts payable on first demand and an indispensable part of the Group and Company's management of available assets and are included for cash flow statements draft purposes as a component of the cash flows.

3.9 Capital Stock

Expenses paid to third parties regarding the issuance of new stocks appear in the equity capital less the respective tax, as a decrease in capital above par.

During the acquisition of own stocks, the paid price, including the relative expenses, is depicted less the equity capital.

3.10 Loans

All loans are initially listed in fair value, less the acquisition expenses of the loans. Loans are later amortized in the amortized acquisition value using the method of discount rate. Any difference between the supply (less the acquisition cost) and the payment value is identified in the results statement at the duration of the loans.

3.11 Income tax

Current and deferred income taxes are calculated based on the respective funds of the financial statements in accordance with the tax laws in Greece. The current income tax regards, taxation on the taxed earnings of the Group and the Company as re adjusted according to what the tax law requires and calculated based on the current tax factor.

The deferred taxation is calculated using the liability method in all temporary tax differences at the balance sheet date between the tax base and the accounting value of the assets and the liabilities.

The expected tax impact from the temporary tax differences are determined and appear either as future (deferred) tax liabilities or as deferred tax claims.

Deferred tax claims are registered for all deducted temporary differences and the transferred tax damages, to the extend that they are expected to produce earnings that can be taxed, against which the deducted temporary difference can be exploited.

The accounting value of the deferred tax claims is revised at each balance sheet date and decreased to the degree where it is no longer expected to produce adequate taxable earnings against which part of or the total of the deferred tax claims can be used.

The current tax claims and liabilities for the current and the previous fiscal periods are amortized to the amount that will be paid to the tax authorities (or acquired by them), with the use of tax rates (and tax laws) that have been established until the Balance Sheet date.

3.12 Dividends

Paid dividends are presented as a liability at the time they are approved by the general stockholders meeting.

3.13 Provisions for benefits to employees

The Group and Company obligation towards their employees for the future payment of benefits depending on their time of service, is measured and presented based on the right that is expected to be paid at the balance sheet date, discounted at the present value in relation to the estimated time of payment. The discount rate that is used is equal to the performance of the long-term bonds of the Greek state at the balance sheet date.

The relevant liability is calculated based on the financial and actuarial admissions and are determined using the Projected Unit Method. The net retirement cost of the fiscal period are included in the payroll cost in the attached results statement and include the present value of the benefits for the fiscal period, the interests on the benefits liability, the cost of previous service, the actuarial profit or losses and any other additional retirement cost. The previous service cost is identified on a regular basis on the mid term until the benefits of the program are validated. The unidentified actuarial profit and losses are identified on the average residual duration of the service supply period of active employees and are included as part of the net retirement cost of each period if, at the beginning of the period they exceed the 10% of the future estimated liability for benefits. The liabilities for retirement benefits cannot be financed.

3.14 Provisions and probable Claims, Liabilities

Provisions are created when the Group has a legal liability or when there seems to be a liability, as a result of a past event, and it is likely that an outflow of funds will be required in order to settle the liability, and a reliable estimation of the respective amount can be made.

Provisions are re evaluated at the end of each fiscal period and adjusted accordingly so as to present the best possible estimates and, if deemed necessary, they are discounted based on a pre tax discount rate. Probable liabilities are not listed in the financial statements but they are announced, unless the probability for an outflow of funds is minimal. Probable claims are not listed in the financial statements but they are announced if the inflow of financial benefits is likely.

3.15 Grants

Grants are initially identified in their nominal value when there is reasonable assertion that the grant will be assigned and that the Company will comply with all the required terms. Grants regarding current expenses are identified in the results statement at the time needed to match the expenses they are meant to compensate for. Grants regarding the purchase of tangible assets (fixed) are included in the long term liabilities as revenues of following fiscal periods and they are transferred to the results statement of the fiscal period during the working life of the granted asset.

3.16 Financial tools

The Group's basic financial tools are cash, bank deposits and short term claims and liabilities. Given the short term nature of these tools, the Group's management believes that their reasonable value basically identifies with the value presented in the accounting books. Moreover, management believes that the interest rates paid in relation to the loans, equal the current reasonable market rates and therefore, there are no prerequisites for any adjustment of the value presented for these liabilities. The Group does not use financial derivatives.

3.17 Revenue identification

3.17.1 Sales of products

Revenues from the sale of products are identified when the important risks and benefits of ownership are transferred to the buyer. Revenues from the supply of services are based on the completion stage, determined by the mention until now to the supplied services, as a percentage on the total supplied services.

3.17.2 Revenues from interests

Interest revenues are identified on a base of time relation, considering the balance of the initial amount and the fiscal period rate until the end of the fiscal period, when it is determined that such revenues will be payable to the Group.

3.17.3 Revenues from dividends

Revenues from dividends are identified as revenues on the date of approval of their distribution.

3.18 Expenses

3.18.1 Operational leases

Payments made based on operational leases are listed in the results statement as expenses, for the duration of use of the lease

3.*18*.2 Financing cost

Net financing cost includes the interests on loans, calculated according the real interest rate method.

3.19 Earnings per stock

Basic earnings per stock are calculated by dividing the net profits of the fiscal period with the average weighted number of common stocks that are in circulation during the specific fiscal period, excluding the average common stocks that were acquired by the Company as own stocks.

3.20 Leases

Fixed leases where the Group and the Company basically maintain all risks and benefits of ownership are registered as financing leases. Financing leases are capitalized at the beginning of the lease to the lowest value between the reasonable value of the fixed asset and the present value of few leases. The respective liabilities from leases, net liabilities from financial expenses, are presented in liabilities. The part of the financial expense regarding financing leases is identified in the results of the fiscal period for the duration of the lease.

Leases where basically, risks and benefits of ownership are maintained by the lessor are registered as operational leases. Payments carried out for operational leases are regularly identified in the results of the fiscal period for the duration of the lease.

3.21 In part analysis of Group activities

«Field » or «department» of the Group activities is any distinguished business activity with special features as to the nature of the activity and the business risks that entails (business field). There is a similar distinction based on the business environment in which the activity is taking place (geographic field).

The Group is mainly active in the fields of Water Supply-Sewerage Systems, in the wider Thessaloniki region, with the aim to rationally manage the water resources on one hand and also to collect and process sewage in a way that high quality services can be offered to society in favor of hygiene and a clean environment.

3.22 Offsetting

The financing assets of the Assets and Liabilities are offset and the net amount appears in the Balance Sheet when there is applicable legal right for offsetting and the intention to be paid as compensations.

3.23 Roundings

The amounts of the present financial statements have been rounded in Euros. Certain differences may appear due to this fact.

3.24 Clearings

Financial assets and liabilities are offset and the net amount shown on the balance sheet when there is an applicable legal right to offset and intention to pay net.

4. FINANCIAL RISK MANAGEMENT

The Group is exposed to all kinds of financial risks, most important of which being the price risk and credit risk. The risk management policies of the Group aim to minimize any negative effects from these risks to the financial position and performance of the Group. The Company's General management is responsible for risk management and the Board of Directors approves the respective policies. The management of financial risks involves the identification, estimation and compensation of financial risks in close co-operation with the Groups operational units.

A. Market risk

(i) Exchange risk

The Group faces no exchange rate risk as all transactions are in Euros.

***(ii)* Price risk**

Regarding price risk the Group is exposed to a fluctuation of the variables that determine mainly the prices for water supply and sewerage services. EYATH S.A's invoicing policy has been determined for the period 1.1.2007 until the 31.12.2011 providing a yearly average increase of approximately 4%, with the exception of 2009 for which the Company has decided to freeze invoices for the basic levels of consumption. In 2009 the Company decided to keep the price stable for the basic levels of consumption as at 2008.

Moreover, on the 30/6/2010, the Regular General Shareholders Meeting decided to maintain the same prices regarding household invoices for a further four month period, that is until the 31st of August 2010 and from September of the current year, to apply the JMD 11741/2006 (G.N.202 issue B΄16-2-2007), to the prices valid in 2010
Under the 128/2011 decision of the Board of Directors the Company which was approved from the ordinary General Meeting on the 4th of August 2011, throughout 2011 applicable are the prices settled by the 11741/2006 Governmental decision for 2010.

(Amounts in thousands Euro)

(iii) Cash flows and fair interest value risk

The Group faces no interest rate risk in the loan liabilities as the loans are in fixed rate only. On the contrary it faces a limited risk of interest rates in the interest-bearing elements of the Assets (deferred deposits) and the revenues from interest are affected by the changes in the interest rates.

The management closely monitors the fluctuations in the interest rates and evaluates per case the duration and kind of sight deposits.

B. Credit risk

The Group has a clear credit policy, which is applied with great consistency. Moreover the large number of customers allows the disperse of the customer base and therefore it contributes to low credit risk in relation to such claims. Management constantly monitors the financial state of the customers, the size and limits of the supplied credit. At the end of the fiscal period, the company management maintained there was no significant credit risk that was not covered by a secure or adequate provision for foul claim. The maximum exposure to credit risk is reflected by the height of each element of the assets

C. Liquidity risk

Liquidation risk is kept at low levels through the availability of adequate cash flows.

The maturity of the financial liabilities on the 31st of December 2010 for the Group is analyzed as follows:

Maturity table of Financial Obligations 31/12/2011

	Group				Company			
	SHORT TERM	LONG TERM			SHORT TERM	LONG TERM		
	Within 1 year	1 to 5 years	Above 5 years	Total	Within 1 year	1 to 5 years	Above 5 years	Total
State Liabilities	467	152		619	457	152		619
Other LT Obligations			12.594	12.594			12.594	12.594
Suppliers & Other Obligations	24.510			24.510	24.469			24.469
ST tax obligations	7.288			7.288	7.214			7.214
Total	32.266	152	12.594	45.012	32.151	152	12.594	44.896

Maturity table of Financial Obligations 31/12/2010

	Group				Company			
	SHORT TERM	LONG TERM			SHORT TERM	LONG TERM		
	Within 1 year	1 to 5 years	Above 5 years	Total	Within 1 year	1 to 5 years	Above 5 years	Total
State Liabilities	621	619		1.24	621	619		1.24
Other LT Obligations			12.133	12.133			12.133	12.133
Suppliers & Other Obligations	24.534			24.534	24.38			24.38
ST tax obligations	9.284			9.284	9.269			9.269
Total	34.438	619	12.133	47.190	34.271	619	12.133	47.023

Capital risk management

The Group goal when managing capital is to ensure the possibility of continuous activity, in order to provide profit to the stockholders and benefits to other interested parties as well as to maintain a capital structure that would decrease the cost of capital

(Amounts in thousands Euro)

Capital is previewed based on a leverage factor. The factor is calculated as the net debt divided by total capita. Net debt is calculated as the total loans (including short term and long-term loans as presented in the balance sheet) less cash reserves. Total capital is calculated as equity capital appearing in the balance sheet plus net debt. More particularly:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Total Debt	619	1.240	619	1.240
Less: Cash	(23,159)	14.364	(22,898)	(14,134)
Net Debt	(22,539)	(13,124)	(22,278)	(12,893)
Equity	124.653	108.196	124.555	108.153
Total Equity	102.113	95.074	102.777	95.259
Gearing Factor	-22.07%	-13.80%	-21.78%	-13.53%

Reasonable value

The amounts by which cash reserves appear in the balance sheet, claims and short-term liabilities approach the respective reasonable values due to the short-term expiration.

5. IMPORTANT ACCOUNTING JUDGMENTS, ASSESSMENTS AND ASSUMPTIONS

The preparation of the financial statements in accordance with the ISFI's requires the use of certain important accounting assessments, which are likely to affect the accounting balances of the Balance Sheet with the required announcements and the use of judgments by the Management in the process of applying the accounting principles. Moreover, the use of calculations and assumptions is required, which affect the mentioned amounts of assets and liabilities, the announcement of potential claims and liabilities on the date of the financial statements and the mentioned revenues and expenses amounts during the year in question. Despite the fact that these calculations are based on the best possible Management knowledge regarding the current conditions and actions, the true future results may differ than these assessments. The management judgments and assessments are under constant re evaluation based on historical facts and expectations for future facts considered reasonable given the current data. The basic assessments and evaluations regarding facts whose development could affect the funds in the financial statements for the next twelve months are the following.

5.1 Bad Claims

The Group and the Company depreciate the value of their commercial claims when there is data or indications that show that the payment of each claim in total or in part is not likely. The Group Management proceeds with a periodic re evaluation of the doubtful claims formed provision adequacy in relation to its credit policy and considering the data of the Legal Department, which derive based on the processing of historical data and recent developments of the cases the department manages.

5.2 Provision for income tax

The provision for the income taxis estimated by an assessment of the taxes to be paid to the tax authorities and includes the current income tax for each fiscal period and a provision for additional taxes likely to derive from future audits. In order to redefine the Group and Company provision for income taxes a substantial understanding of the above is required. The final settlement of taxes is likely to deviate from the respective amounts registered in the Group and Company financial statements and these differences will affect the income tax and provisions for deferred taxes.

5.3 Provision for employee benefits

The obligation to pay benefits to employees is determined based on an independent actuarial study. The final obligation may differ than the one of the actuarial calculation due to different actual data, regarding the discounted interest, inflation, salaries increase, demographic or other data.

(Amounts in thousands Euro)

5.4 Tangible and intangible depreciation

The Group assesses amortizations on tangible and intangible fixed assets base on the estimate of their useful life. The salvage value and useful life of these fixed assets are re examined and determined on each date of balance sheet drafting, if so deemed necessary.

5.5 Litigation Cases

The Group recognizes a provision for pending cases based on data from the Legal Department.

6. BUSINESS FIELD INFORMATION

The Chief Operating Decision Makers are responsible for the decision upon economic issues evaluating the activity characterized as Water Supply Provision and Sewerage Systems Provision. The Analysis per operation segment is analysed below:

6.1 Operation field analysis (primary type of information)

6.1.1 Distribution of turnover per operational field

Group figures for the period 01.01-31.12.2011

	Water Services	Sewerage Services	GROUP TOTAL
Sales to third party	50.670	24.730	75.400
Less: Cost of Goods Sold	(28,687)	(15,893)	(42,876)
Gross Profit (loss)	**23.688**	**8.836**	**32.524**
Profit / (Loss) before tax & financial ex	**17.530**	**5.887**	**23.416**
Financial Expenses	1.774	817	2.592
Operational Income	19.304	6.704	26.008
Earnings Before tax	**19.304**	**6.704**	**26.008**
Income tax	(4,018)	(1,395)	(5,413)
Earnings After tax	15.286	5.309	20.595
Profit / (Loss) before tax, financial exp	**22.532**	**6.260**	**28.792**

Group figures for the period 01.01-31.12.2010

	Water Services	Sewerage Services	GROUP TOTAL
Sales to third party	47.981	23.201	71.182
Less: Cost of Goods Sold	(28.687)	(16.191)	(44.878)
Gross Profit (loss)	**19.294**	**7.011**	**26.304**
Profit / (Loss) before tax & financial ex	**13.085**	**5.928**	**19.013**
Financial Expenses	1.301	564	1.865
Operational Income	14.386	6492	20.878
Earnings Before tax	**14.386**	**6.492**	**20.878**
Income tax	(5.840)	(2.635)	(8.475)
Earnings After tax	8.546	3.856	12.402
Profit / (Loss) before tax, financial exp	**18.009**	**6.821**	**24.830**

(Amounts in thousands Euro)

6.1.2 Assets and Liabilities distribution per business sector.

Group figures on 31.12.2011

Group Figures	Water Services	Sewerage Services	GROUP TOTAL
Fixed Assets	53.077	38.008	91.085
Customers & other claims	43.068	21.020	64.088
Non distributed Fixed Assets elements	-	-	26.370
Total Assets	**96.145**	**59.029**	**181.524**
Future Subsidy Income	-	3.894	3.894
Liabilities	19.492	5.019	24.510
Loans	-	619	619
Non Distributed Liability Elements	-	-	152.518
Total Liabilities	**19.492**	**9.533**	**181.542**
Additional Fixed & Intangible Assets	3,446.22	2,524.39	5.971

Group figures on 31.12.2010

Group Figures	Water Services	Sewerage Services	GROUP TOTAL
Fixed Assets	52.787	38.579	91.367
Customers & other claims	39.514	19.107	58.621
Non distributed Fixed Assets elements	-	-	17.554
Total Assets	**92.301**	**57.687**	**167.542**
Future Subsidy Income	-	4.713	4.713
Liabilities	17.870	5.252	23.123
Loans	-	1.240	1.240
Non Distributed Liability Elements	-	-	138.466
Total Liabilities	**17.870**	**11.205**	**167.542**
Additional Fixed & Intangible Assets	4.616	2.298	6.914

6.2 Analysis per Geographical sector (secondary type of information)

The Group’s headquarters are in Greece and all its activities take place in Greece.

(Amounts in thousands Euro)

7. TANGIBLE FIXED ASSETS

The Group's tangible fixed assets are analyzed below:

	THE GROUP						
	Fields & Lots	**Buildings & facilities**	**Machinery & mechanical installations**	**Transport means**	**Furniture & other equipment**	**Assets under construction or installation**	**Total**
Acquisition or rating value							
Balance on 01.01.2011	18.896	5.826	91.909	1.106	2.474	3.813	124.025
Charges on 01.01-31.12.2011	-	-	3.33	-	137	2.462	5.930
Reclassifications on 01.01-31.12.2011	-	-	(65)	-	-	65	-
Disposals on 01.01-31.12.2011	-	-	-	(38)	-	-	(38)
Total on 31.12.2011	18.896	5.826	95.175	1.068	2.611	6.34	129.917
Accumulated depreciation							
Balance on 01.01.2011	-	1.02	29.308	917	1.525	-	32.770
Depreciation on 01.01-31.12.2011	-	146	5.777	61	228	-	6.211
Disposals on 01.01-31.12.2011	-	-	-	(38)	-	-	(38)
Total on 31.12.2011	-	1.065	35.086	939	1.753	-	38.943
Net Non Depreciated amount on 31.12.2010	18.896	4.806	62.601	190	949	3.813	91.255
Net Non Depreciated amount on 31.12.2011	18.896	4.660	60.089	129	858	6.340	90.973

	THE GROUP						
	Fields & Lots	**Buildings & facilities**	**Machinery & mechanical installations**	**Transport means**	**Furniture & other equipment**	**Assets under construction or installation**	**Total**
Acquisition or rating value							
Balance on 01.01.2010	18.896	5.826	83.529	1.106	2.357	5.413	117.128
Charges on 01.01-31.12.2010	-	-	2.561	-	117	4.220	6.897
Reclassifications on 01.01-31.12.2010	-	-	5.820	-	-	(5.820)	-
Disposals on 01.01-31.12.2010	-	-	-	-	-	-	-
Total on 31.12.2010	18.896	5.826	91.909	1.106	2.474	3.813	124.025
Accumulated depreciation							
Balance on 01.01.2010	-	874	23.689	802	1.300	-	26.665
Depreciation on 01.01-31.12.2010	-	146	5.620	115	226	-	6.106
Disposals on 01.01-31.12.2010	-	-	-	-	-	-	-
Total on 31.12.2010	-	1.020	29.308	917	1.525	-	32.770
Net Non Depreciated amount on 31.12.2009	18.896	4.952	59.841	304	1.059	5.413	90.465
Net Non Depreciated amount on 31.12.2010	18.896	4.806	62.601	190	949	3.813	91.255

The Company's tangible fixed assets are analyzed below:

(Amounts in thousands Euro)

	THE COMPANY						
	Fields & Lots	**Buildings & facilities**	**Machinery & mechanical installations**	**Transport means**	**Furniture & other equipment**	**Assets under construction or installation**	**Total**
Acquisition or rating value							
Balance on 01.01.2011	18.896	5.826	91.909	1.106	2.472	3.813	124.022
Charges on 01.01-31.12.2011	-	-	3.33	-	137	2.462	5.930
Reclassifications on 01.01-31.12.2011	-	-	(65)	-	-	65	-
Disposals on 01.01-31.12.2011	-	-	-	(38)	-	-	-
Total on 31.12.2011	18.896	5.826	95.175	1.068	2.609	6.340	129.914
Accumulated depreciation							
Balance on 01.01.2011	-	1.020	29.308	917	1.523	-	32.768
Depreciation on 01.01-31.12.2011	-	146	5.777	61	228	-	6.211
Disposals on 01.01-31.12.2011	-	-	-	(38)	-	-	(38)
Total on 31.12.2011	-	1.165	35.086	939	1.751	-	38.941
Net Non Depreciated amount on 31.12.2010	18.896	4.806	62.601	190	949	3813	91255
Net Non Depreciated amount on 31.12.2011	18.896	4.66	60.089	129	858	6340	90973

	THE COMPANY						
	Fields & Lots	**Buildings & facilities**	**Machinery & mechanical installations**	**Transport means**	**Furniture & other equipment**	**Assets under construction or installation**	**Total**
Acquisition or rating value							
Balance on 01.01.2010	18.896	5.826	83.529	1.106	2.355	5.413	117.125
Charges on 01.01-31.12.2010	-	-	2.561	-	117	4.220	6.897
Reclassifications on 01.01-31.12.2010	-	-	5.820	-	-	(5.820)	-
Disposals on 01.01-31.12.2010	-	-	-	-	-	-	-
Total on 31.12.2010	18.896	5.826	91.909	1.106	2.472	3.813	124.022
Accumulated depreciation							
Balance on 01.01.2010	-	874	23.689	802	1.297	-	26.662
Depreciation on 01.01-31.12.2010	-	146	5.620	115	226	-	6.106
Disposals on 01.01-31.12.2010	-	-	-	-	-	-	-
Total on 31.12.2010	-	1.020	29.308	917	1.523	-	32.768
Net Non Depreciated amount on 31.12.2009	18.896	4.952	59.841	304	1.058	5.413	90.463
Net Non Depreciated amount on 31.12.2010	18.896	4.806	62.601	190	949	3.813	91.255

There are no encumbrances on the Group and Company tangible fixed assets.

(Amounts in thousands Euro)

8. INTANGIBLE FIXED ASSETS

	THE GROUP		THE COMPANY	
	Software	Total	Software	Total
Acquisition or rating value				
Balance on 01.01.2011	535	535	531	531
Charges on 01.01-31.12.2011	41	41	41	41
Total on 31.12.2011	**576**	**576**	**572**	**572**
Accumulated depreciation				
Balance on 01.01.2011	423	423	372	372
Depreciation on 01.01-31.12.2011	41	41	49	49
Total on 31.12.2011	**465**	**465**	**461**	**461**
Net Non Depreciated amount on 31.12.2010	**112**	**112**	**111**	**111**
Net Non Depreciated amount on 31.12.2011	**111**	**111**	**111**	**111**

	THE GROUP		THE COMPANY	
	Software	Total	Software	Total
Acquisition or rating value				
Balance on 01.01.2010	519	519	515	515
Charges on 01.01-31.12.2010	16	16	16	16
Total on 31.12.2010	**535**	**535**	**531**	**531**
Accumulated depreciation				
Balance on 01.01.2010	374	374	372	372
Depreciation on 01.01-31.12.2010	49	49	49	49
Total on 31.12.2010	**423**	**423**	**420**	**420**
Net Non Depreciated amount on 31.12.2009	**143**	**143**	**142**	**142**
Net Non Depreciated amount on 31.12.2010	**112**	**112**	**111**	**111**

9. PARTICIPATION IS SUBSIDIARIES

The Company participation in subsidiary companies and the respective activity for the current fiscal period are analyzed as follows:

	31/12/2011
Balance on 01.01.2011	**60**
Devaluation Provision	-
	60
Disposal of Subsidiary	-
Balance on 31.12.2011	**60**

The Company has registered as revenue in the current fiscal year the approved dividend by the subsidiary of € 14. The dividend has not been received up until the 31.12.2011.

10. LONG TERM CLAIMS

Long term claims on the 31st of December 2011 represent mainly given guarantees of the Public Electricity Company of € 356 (2010: €366) .

11. INVENTORIES

The Group’s inventories are analyzed as follows:

(Amounts in thousands Euro)

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Raw and supporting materials & spare parts	2.128	2.488	2.128	2.488
Reserves Impairment	(341)	(241)	(341)	(241)
Total after Impairment	1.787	2.247	1.787	2.247

There is a depreciation provision on Group supplies of €341.

There are no pledges on Group supplies.

12. CUSTOMER AND OTHER CLAIMS

The total claims of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Customer Claims	49.211	45.010	49.174	44.891
Short term Claims against participants	-	-	99	88
Doubtfull customer - under ligitation & debtors	9.388	6.123	9.388	6.123
Debtors	9.966	8.974	9.960	8.965
Administration Accounts on prepayments & credit	279	189	279	189
Expenses of future fiscal years	136	161	135	161
Income Received	4.497	4.287	4.431	4.287
Less:Provisions on bad claims	(9,388)	(6.122)	(9,388)	(6.122)
Total Customer & Other Claims	64.088	58.621	64.077	58.581

All claims are short term and no discount is required on the date of the Balance Sheet. There is no credit risk concentration regarding customer claims, as the Company has a large number of customers and credit risk is dispersed.

It is noted that the account balance for «Various debts » on the 31/12/2011 of € 9.966, regards a deposit of income tax and other retained taxes of € 4,552, claims for works supervision by EYATH Fixed Assets S.A of €1,579, special grants claims from services supplied to the Ministry for the Environment, Planning and Public Works of €2,538 and claims from other debtors of € 284.

Moreover, it is noted that the account balance for «Received fiscal period revenues» on the 31/12/2011 of € 4,497, regards work revenues of EYATH S.A for the fiscal period 1/1/2011-31/12/2011 (in which they were listed) which will be invoiced at a next fiscal period of €3,380, grant revenues by the Ministry for the Environment, Planning and Public Works of €833 and other received revenues of € 284.

The credits and deposits management account on the 31/12/2011 includes mainly claims-accounts for returns by collectors and other company associates.

The change in doubtful claims and the carried out provision is analyzed as follows:

(Amounts in thousands Euro)

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Balance on 01.01.2011	6.122	4.897	6.122	4.897
Increase	3.265	1.225	3.265	1.225
Decrease	-	-	-	-
Balance on 31.12.2011	9.388	6.122	9.388	6.122

The Majority board of claims is as follows:

TABLE OF EXPIRY CUSTOMET CLAIMS 31.12.2011

	THE GROUP		THE COMPANY	
	Beyond 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
Customers & Other Claims	30.737	18.474	30.700	18.474
Short term Claims against affiliated companies	-	-	99	-
Bad Customers & Debtors	-	9.388	-	9.388
Less: Provisions	-	(9,388)	-	(9,388)
Total	30.737	18.474	30.799	18.474

TABLE OF EXPIRY CUSTOMET CLAIMS 31.12.2010

	THE GROUP		THE COMPANY	
	Beyond 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
Customers & Other Claims	30.021	14.989	29.902	14.989
Short term Claims against affiliated companies	-	-	88	-
Bad Customers & Debtors	-	6.122	-	6.122
Less: Provisions	-	(6.122)	-	(6.122)
Total	30.021	14.989	29.990	14.989

ANALYSIS OF NON BAD CLAIMS BEYOND 12 MONTHS

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Claims form Public Sector	13.659	10.518	13.659	10.518
Other non bad claims from customers	4.815	4.471	4.815	4.471
Total	18.474	14.989	18.474	14.989

The parent Company invoices clients-water consumers three times a year. Each invoicing regards the water consumption of a four month period. Each client must pay the water consumption invoice within a month. Since 2007 the Company management has decided to charge default interest to those who were at least a month late in paying the invoice.

Customer commercial claims that were receivable within 12 months on the 31.12.2011 amounted to €30,737 (2010: €30,021). Overdue customer claims on the date the fiscal period ended reached €27,862 (2010: €21,111) of which: i) claims of €9,338 (2010: €6,122) have been characterized as doubtful and ii) claims of €18,474 (2010: €14,989) have been rendered overdue but have not been characterized as doubtful. Overdue non doubtful claims include claims from the State and the wider State sector of €13,659 (2010: €10,518) as well as claims from individuals of €4,815 (2010: €4,471), which the Company management credibly believes will be collected.

(Amounts in thousands Euro)

13. CASH RESERVES AND EQUIVALENTS

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Cash	444	338	442	337
Deposits	22,715	14,026	22,455	13,797
Total	23,159	14,364	22,898	14,134

Cash reserves represent the cash in the Company's cash registers and the bank deposits available upon first request. The grading of reserves based on the credit rating by the firm FITCH is as follows:

Credit Worthness in cash equivalents (Fitch)	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
AA-	-	128	-	128
BBB+	-	107	-	107
BBB	-	1,106	-	1,106
BB+	164	12,198	164	11,968
B-	19,171	-	18,911	-
Deposits in banks non rated by Fitch	3,380	487	3,380	487
Total	**22,175**	**14,026**	**22,455**	**13,797**

14. SHARE CAPITAL

	31.12.2011	31.12.2010
Number of Nominal Shares	36,300,000	36,300,000
Nominal Value per share (€)	1.12	1.12
Nominal Value	**40,656,000**	**40,656,000**
Difference from issue of shares above par	**2,829,985**	**2,829,985**

The Company's stocks are introduced in the category High Capitalization of the Athens Stock Exchange. According to the Company's Stockholders Register on the 31/12/2011, stockholders with a percentage larger than 2 % were the following:

SHAREHOLDER	No. of Shares	% of shareholding 31.12.
Greek Public	26,868,000	74.02%
Suez Environment Company	1,982,870	5.46%
Other Shareholders with shareholding below 2%	1,449,130	20.65%
Total	**36,300,000**	**100.00%**

15. RESERVES

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Ordinary Reserve	7,69	6,659	7,68	6,653
Non taxed reserves	3,329	3,329	3,329	3,329
Own shares reserves	1	1	1	1
Other reserves	16,584	16,584	16,584	16,584
Total	**27,604**	**26,574**	**27,595**	**26,568**

According to the provisions of the Greek corporate law, the creation of a «regular reserve» - with the yearly transfer of an amount equal to the 5 % of the yearly after tax profits-is mandatory until the regular reserve reaches the $^1/_3$ of the capital stock. The «regular reserve» is distributed only upon the Company's liquidation, it can however, be compensated with accumulated loss.

(Amounts in thousands Euro)

The tax law reserves were created based on the provisions of the tax legislation which either offers the opportunity of transferring the taxation of certain revenues to the time of their distribution to the stockholders, or offer tax relieves as a motive for investment activities

The reserve for own stocks is a stockholders fractional right from an increase in capital stock with the free distribution of stocks on the 17/1/2003.

16. LOANS

Loans have been issued by the Greek State, for the financing of investment programs, until 1998 (a date anterior to the establishment of EYATH S.A). All loans are in Euros. The Group provides for accrued interests for the service of loans and burdens the financial statement of the occasional fiscal period. There are no guarantees or ownership bindings or uses on the fixed assets and the other assets of the Group.

17. PROVISIONS FOR BENEFITS TO EMPLOYEES

The Group and the Company's obligation towards their employees in Greece, for the future payment of benefits depending on how long each employee has been employed, is added and depicted based on what is to be rightfully paid for each employee, on the date of the balance sheet, discounted in its present value in relation to the predicted time of payment. The accrued benefits for each fiscal period burden the results of the fiscal period with a respective increase in the retirement liabilities. The payment of benefits to the retiring employees decreases respectively the pension liabilities.

The number of Company employees and the respective salary cost are as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Employee Salaries	10,642	14,158	10,642	14,158
Employee Provisions	2,647	3,122	1,647	3,122
Employee Expenses	135	176	135	176
Provisions on staff redundancies	163	45	163	45
Total Cost	**13,586**	**17,502**	**13,586**	**17,502**
Number of constant staff	287	327	287	327

The liability of the Group and the Company for payment of compensation to employees who retire has been determined based on an actuarial study carried out by an independent company of Chartered Actuaries. The basic financial volumes and suggestions of the actuarial study are as follows:

(Amounts in thousands Euro)

Changes in the net liability registered in the Balance Sheet	**THE GROUP**		**THE COMPANY**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Current value of non financed liabilities	2,705	3,618	2,705	3,618
	2,705	**3,618**	**2,705**	**3,618**
Non registered actuarial profit / (loss)	981	955	981	955
Net liability registered on the Balance Sheet	3,687	4,573	3,687	4,573

Amounts registered in the Income Statement	**THE GROUP**		**THE COMPANY**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Costs of current fiscal year	87	136	87	136
Interest on debt	151	237	151	237
Registrer of actuarial profit / (loss)	(76)	-	(76)	-
Normal expense on the Income Statement	**163**	**374**	**163**	**374**
Costs of redundancies/settlements/terminations	-	(329)	-	(329)
Total expense on the Income Statement	**163**	**45**	**163**	**45**

Changes in the net obligations registered in the Balance Sheet	**THE GROUP**		**THE COMPANY**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Net obligation on the beginning of the year	4,573	5,544	4,573	5,544
Provisions paid by the employer	(1.050)	(1.016)	(1.050)	(1.016)
Total Expenses registered in the income statement	163	45	163	45
Net obligation on the end of the year	**3,687**	**4,573**	**3,687**	**4,573**
Difference in the current value of the obligation				
Current value of obligation at the beginning of the perio	3,618	6,011	3,618	6,011
Cost of current employment	87	136	87	136
Interest Costs	151	237	151	237
Provisions paid by the employer	(1.050)	(1.016)	(1.050)	(1.016)
Costs of redundancies/settlements/terminations	-	(329)	-	(329)
Actuarial loss / (profit)	(101)	(1.423)	(101)	(1.423)
Present value of obligation at the period end	2,705	3,618	2,705	3,618
Actuarial assumptions				
Discount rate	4,52%	5,00%	4,52%	5,00%
Future Salary increases	2,50%	2,50%	2,50%	2,50%
Expected residual employers life	8,93	7,86	8,93	7,86

18. PROVISIONS FOR RISKS AND EXPENSES

The amount of € 3,260 is provided regarding any likely liabilities which might derive during the judicial settlement of litigations with third parties as well as with Group and Company employees.

For the fiscal years 2009 and 2010 which remain unaudited the respective formed provision amounted to € 1,037 (note 29).

Provisions	**GROUP AND COMPANY**		
Long term provisions	**Outstanding Legal Cases**	**Tax Provisions**	**Total**
01.01.2011	2,494	375	2,869
Additional provisions	766	662	1,428
Provisions used	-	-	-
31.12.2011	**3,26**	**1,037**	**4,297**

(Amounts in thousands Euro)

19. GRANTS

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Remaing at the beginning	4,713	4,747	4,713	4,747
Collection of new grants	58	303	58	303
Depreciation of grants after transfer to Income Statement	(877)	(338)	(877)	(338)
Remaing at the period end	3,894	4,713	3,894	4,713

20. OTHER LONG TERM LIABILITIES

These are received guarantees of new water services customers for water consumption and the installation of water meters.

21. SUPPLIERS AND OTHER LIABILITIES

The total Group and Company liabilities towards suppliers and other third parties are analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Supliers	6,367	6,732	6,357	6,721
Checks payable	637	2,261	622	2,158
Other taxes	4	1,411	664	1,334
Insurance Organisations	474	435	474	435
Obligations to participated parties	-	-	144	70
Expenses on fiscal year	1,136	782	1,116	769
Customer Advances	144	24	8	8
Dividends paid	14	20	14	20
Creditors	15,073	12,868	15,07	12,864
Other transitory accounts of Liabilities			-	-
Total	**24,510**	**24,534**	**24,469**	**24,380**

The balance for the account "Various Creditors" on the 31/12/2011 of € 15,073, regards liabilities towards the company EYATH Fixed Assets for the purchase of water and cover of various operational needs to the amount of € 14,473 and liabilities towards other creditors to the amount of € 600.

From the obligation towards EYATH Fixed Assets of a total amount of €14,473, an amount of € 2,245 sources from the closing fiscal year and amount of € 12,618 from the previous fiscal years. The delay in repayment of the above obligation is due to the fact that the final amount of debt to the EYATH FIXED resulting post-settlement / transfer to it, works constructed by the EYATh. From the contract, signed by the two companies, no increases and interest charges are expected for late payment of any overdue repayment obligation.

The expiration for Suppliers and Other Liabilities for the Group and the Company is analyzed as follows:

(Amounts in thousands Euro)

	THE GROUP		THE COMPANY	
	Short Term 2011		Short Term 2011	
	Within 6 month	From 6 to 12 month	Within 6 month	From 6 to 12 month
Supliers	6,367	-	6,357	-
Checks payable	637	-	622	-
Insurance Organisations	474	-	474	-
Customer Advances	144	-	8	-
Dividends paid	14	-	14	-
Obligations on affiliated companies	-	-	144	-
Creditors	601	14,437	598	14,473
Income of next years	-	-	-	-
Expenses	1,136	-	1,116	-
Other taxes	664	-	664	-
Other transitory accounts of Liabilities	-	-	-	-
Total	**10,038**	**12,618**	**9,996**	**14,473**

	THE GROUP		THE COMPANY	
	Short Term 2010		Short Term 2010	
	Within 6 month	From 6 to 12 month	Within 6 month	From 6 to 12 month
Supliers	6,732	-	6,721	-
Checks payable	2	-	2,158	-
Insurance Organisations	435	-	435	-
Customer Advances	24	-	8	-
Dividends paid	20	-	20	-
Obligations on affiliated companies	-	-	70	-
Creditors	250	12,618	246	12,618
Income of next years	-	-	-	-
Expenses	782	-	769	-
Other taxes	1,411	-	1,334	-
Other transitory accounts of Liabilities	-	-	-	-
Total	**11,915**	**12,618**	**11,761**	**12,618**

22. SHORT TERM TAX LIABILITIES

The Group and Company short term tax liabilities are analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Income tax	7,288	7,076	7,288	7,062
Extraordinary	-	2,208	-	2,208
	7,288	9,284	7,214	9,269

Regarding the special tax payment of L.3845/2010 (for the 2009 fiscal year incomes) the total amount is €2.208 which was paid in full up until 31.12.2011. It is noted that the balance of the account Income Tax during 31.12.2011 amount of €7,288, concerns the obligation from the current Income tax amount of €6,261 as well as Tax for previous years of €1,027.

(Amounts in thousands Euro)

23. EXPENSES ANALYSIS PER FIELD

Expenses per category are analyzed as follows for the fiscal year 2011 for the Group and the Company:

THE GROUP

for the period ended on 31.12.2011	**Production cost**	**Distribution Expenses**	**Administration Expenses**	**R & D Expenses**	**Total**
Durables Cost	2,098	-	-	-	2,098
Own Production	(418)	-	-	-	(418)
Salaries & employees expenses	10,759	652	1,979	145	13536
Salaries & 3rd party expenses	1,193	242	927	66	2428
Electricity Cost	10,259	12	48	-	10319
Rents	177	37	238	-	452
Maintenance Costs	11,491	65	212	8	11,777
Other 3rd party provisions	96	85	160	-	341
Taxes and other	373	50	139	45	607
Other Expenses	1,181	25	517	2	1,725
Depreciations of tangibles & intangibles	5,666	132	322	180	6,299
Provisions of bad claims	-	3,064	-	-	3,064
Total	**42,876**	**4,365**	**4,542**	**446**	**52,229**

THE COMPANY

for the period ended on 31.12.2011	**Production cost**	**Distribution Expenses**	**Administration Expenses**	**R & D Expenses**	**Total**
Durables Cost	2,098	-	-	-	2,098
Own Production	(418)	-	-	-	(418)
Salaries & employees expenses	10,759	652	1,979	154	13,536
Salaries & 3rd party expenses	495	968	918	104	2,485
Electricity Cost	10,259	12	48	-	10,319
Rents	177	37	238	-	452
Maintenance Costs	11,491	65	212	8	11,511
Other 3rd party provisions	96	85	160	-	340
Taxes and other	373	50	139	45	607
Other Expenses	1,161	25	514	2	1,702
Depreciations of tangibles & intangibles	5,666	132	321	180	6,298
Provisions of bad claims	-	3,064	-	-	3,064
Total	**42,158**	**5,091**	**4,53**	**485**	**52,263**

(Amounts in thousands Euro)

Expenses per category are analyzed as follows for the fiscal year 2010 for the Group and the Company:

THE GROUP

for the period ended on 31.12.2010	Production cost	Distribution Expenses	Administration Expenses	R & D Expenses	Total
Durables Cost	1,528	-	-	-	1,528
Own Production	(579)	-	-	-	(579)
Salaries & employees expenses	13,316	1,384	2,622	179	17,502
Salaries & 3rd party expenses	2,226	22	950	78	3,275
Electricity Cost	10,823	12	47	-	10,882
Rents	297	43	287	-	627
Maintenance Costs	10,251	56	109	6	10,421
Other 3rd party provisions	47	125	223	-	395
Taxes and other	387	58	149	47	640
Other Expenses	1,093	31	553	-	1,677
Depreciations of tangibles & intangibles	5,489	126	309	231	6,155
Provisions of bad claims	-	1,225	-	-	1,225
Total	**44,878**	**3,081**	**5,249**	**541**	**53,749**

THE COMPANY

for the period ended on 31.12.2010	Production cost	Distribution Expenses	Administration Expenses	R & D Expenses	Total
Durables Cost	1,528	-	-	-	1,528
Own Production	(579)	-	-	-	(579)
Salaries & employees expenses	13,316	1,384	2,622	179	17,502
Salaries & 3rd party expenses	1,602	813	816	78	3,309
Electricity Cost	10,823	12	47	-	10,882
Rents	297	43	287	-	627
Maintenance Costs	10,251	56	109	6	10,421
Other 3rd party provisions	47	125	223	-	395
Taxes and other	387	58	149	47	640
Other Expenses	1,081	30	547	-	1,658
Depreciations of tangibles & intangibles	5,489	126	308	231	6,154
Provisions of bad claims	-	1,225	-	-	1,225
Total	**44,242**	**3,872**	**5,108**	**541**	**53,762**

24. OTHER ADMINISTRATIVE EXPENSES – OTHER OPERATIONAL EXPENSES

Other exploitation revenues as well as other operational expenses are analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Other Operational Expenses				
Income from Grants	386	277	386	277
Compensations from damages in the drainag	1,631	1,920	1,631	1,920
Income for services provision	146	598	146	598
Rents	57	48	4	4
Grant's depreciations	340	338	340	338
Other Income from previous uses	20	135	20	135
Other Income	41	59	41	59
Income for provisions from previous uses	14	31	11	29
Total other income from operations	**2,635**	**3,406**	**2,579**	**3,360**
OTHER OPERATIONAL EXPENSES				
Compensations from damages on the Water	52	139	52	139
Compensations from judicial decisions	530	263	530	263
Other expenses, provisions & losses	1,807	1,424	1,803	1,421
Total other operational expenses	**2,389**	**1,826**	**2,385**	**1,823**

(Amounts in thousands Euro)

25. FINANCIAL INCOME / (EXPENSES)

The financial income (expenses) are analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Financial Interest in bank liabilities	33	53	33	53
Other Financial Expenses	46	13	16	13
Total financial expenses	**49**	**65**	**48**	**65**
Interest and other income	2,640	1,930	2,639	1,929
Other Financial Expenses				
Total financial income	2,640	1,930	2,639	1,929
Net financial income (costs)	**2,592**	**1,865**	**2,591**	**1,864**

It is noted that the account balance « Black interests and relevant revenues» on the 31/12/2011 of € 2,640 includes default interests for customer accounts of € 2,075 and deposit interests of € 565. The policy for charging for default interest for customer accounts has been in use since the BoD decision on the 16-5-2007.

26. INCOME TAX

The taxation on results has been determined as follows:

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	01/01-31/12/2011	01/01-31/12/2010	01/01-31/12/2011	01/01-31/12/2010
Φόρος Εισοδήματος περιόδου	5.696	5.065	5.678	5.046
Φόροι που καταλογίσθηκαν και αφορούν σε προηγούμενες χρήσεις	-	1.701	-	1.701
Φόρος μεγάλης ακίνητης περιουσίας	83	81	83	81
Εκτακτη εισφορά	-	2.208	-	2.208
Πρόβλεψη φόρου ανέλεγκτων χρήσεων	125	375	125	375
Αναβαλλόμενος φόρος	(491)	(955)	(491)	(955)
Σύνολο	**5.413**	**8.475**	**5.395**	**8.456**

The tax amount in "Income Tax" in the results statement differs to the theoretical amount that would derive using the current tax rate, on Company profits. The difference is as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Income tax	5,696	5,065	5,678	5,046
Tax concerning previous fiscal years	-	1,701	-	1,701
Tax on large real estate property	83	81	83	81
Extraordinary payment	-	2,208	-	2,208
Tax provision on unaudited fiscal years	125	375	125	375
Deferred tax	(491)	(955)	(491)	(955)
Total	**5,413**	**8,475**	**5,395**	**8,456**

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Earnings Before Tax	26,008	20,878	25,936	20,887
Tax calculated on the Company tax coefficier	5,202	5,011	5,187	5,013
Expenses non deducted from income tax	789	636	784	631
Tax provision on tax unaudited fiscal years	125	375	125	375
Tax on large real estate property	83	81	83	81
Extraordinary payment	-	2,208	-	2,208
Non taxed income	(676)	(1.714)	(676)	(1730)
Effect from tax coefficient change	(110)	177	(108)	177
Tax concerning previous fiscal years	-	1,701	-	1,701
Total taxation on Income Statement	**5,413**	**8,475**	**5,395**	**8,456**

(Amounts in thousands Euro)

The fact that in certain cases revenues and expenses are identified in accounting at a different time than when income is taxed or expenses deducted, for reasons of determining the taxed income, creates the need for the identification in accounting of deferred tax assets or deferred tax liabilities. The recognized deferred tax liability from the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Deferred tax claims	2,208	1,493	2,208	1,493
Deferred tax obligations	(1,140)	(916)	(1,140)	(916)
Total deferred tax on the Income Staten	1,069	577	1,069	577

	THE GROUP		THE COMPANY	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Balance at the beginning	577	(378)	577	(378)
Income tax	491	955	491	355
Balance at the end	1,069	577	1,069	577

	THE GROUP			
	01.01.2010	**Credit (Debit) of Income**	**Credit (Debit) of Equity**	**31.12.2010**
Deferred tax obligations			-	
Financial depreciation of tangibles	(1,095)	(164)	-	(1.259)
Adjustments of grants on tangibles	179	(60)		119
	(916)	(224)		(1,140)
Deferred tax claims				
Deregister of many years depreciated costs a	60	(43)	-	17
Adjustement of value of bill pain in	979	628	-	1,607
Adjustment of inventory valuation	58	10	-	68
Provision of staff compensation due to retire	396	120	-	516
	1,493	715	-	2,208
Net deferred tax obligations in the Incor	577	491	-	1,069
Registry in the Income Statement				
Deferred tax claims	577			1,069
	577			1,069

	THE COMPANY			
	01.01.2010	**Credit (Debit) of Income**	**Credit (Debit) of Equity**	**31.12.2010**
Deferred tax obligations				
Financial depreciation of tangibles	(1,095)	(164)	-	(1.259)
Adjustments of grants on tangibles	179	(60)	-	119
	(916)	(224)		(1,140)
Deferred tax claims				
Deregister of many years depreciated costs a	60	(43)	-	17
Adjustement of value of bill pain in	979	628	-	1,607
Adjustment of inventory valuation	58	10	-	68
Provision of staff compensation due to retire	396	120	-	516
	1,493	715	-	2,208
Net deferred tax obligations in the Incor	577	491	-	1,069
Registry in the Income Statement				
Deferred tax obligations	577			1,069
	577			1,069

(Amounts in thousands Euro)

27. EARNINGS PER SHARE

The estimate of basic earnings (loss) per stock is as follows:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net earnings attributed to the Company owners	**20,595**	**12,402**	**20,541**	**12,431**
No. of shares	36.300.000	36.300.000	36.300.000	36.300.000
Less: No of own shares				
Total no. of shares in circulation	**36.300.000**	**36.300.000**	**36.300.000**	**36.300.000**
Basic earning (loss) per share (€)	**0,5674**	**0,3417**	**0,5659**	**0,3423**

28. TRANSACTIONS WITH AFFILIATED PARTIES

The Group and the Company consider as associated persons the members of the Board of Directors, the Executive Members and the stockholders holding a percentage larger than the 5% of its capital stock (including their associated persons). The transactions and the balances of the associated persons of the Group and the Company, for the fiscal period 1/1/2011-31/12/2011 and the 31st of December 2011 respectively, are analyzed in the below board:

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Income	-	-	14	66
Expenses	-	-	1,111	791
Management Salaries	864	823	862	811

	THE GROUP		THE COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Claims	-	-	99	88
Liabilities	-	-	144	70
Claims from Managerial Staff	20	13	20	13
Liabilities to Managerial Staff	4	3	2	6

The company expenses of €1,111 regard water meter measurement services supplied by the subsidiary company «EYATH SERVICES S.A. ». The company claim of €14 regards the dividend approved by the subsidiary company «EYATH SERVICES S.A». The company claim for €99 mainly regards the claim against the approved dividend. The Company liability of €144 regards services of distribution of receipts and water meter measurements towards the subsidiary « EYATH SERVICES S.A».

(Amounts in thousands Euro)

29. COMMITMENTS AND POTENTIAL LIABILITIES

29.1 Potential liabilities from litigations or disputes under arbitration

On the 31/12/2011 there are legal actions, solicitor's letters and in general future claims against the Group of € 3,260 in total. For these cases, there has been a provision for € 3,260, which is included in the long term liabilities account «Provisions for potential risks and expenses» (note 18).

The Group's legal department estimates that the judicial outcome of the above cases cannot significantly affect the operation and financial state of the Group.

29.2 Commitments from operational leases

The Company on the 31/12/2011 had signed contracts regarding the operational lease of property and means of transport which expire partially until 2014. The lease expenses for the operational leases included in the results statement of the current fiscal period amount to € 452 (31/12/2010: €627).

The future minimum lease payments for operational leases based on the non voidable contract of operational lease, are as follows:

	31.12.2011	31.12.2010
0-1 Years	429	361
1-5 Years	695	443
Beyond 5 Years		
Total	1,124	804

29.3 Other Potential liabilities

The Group on the 31/12/2011 had issued good performance contract guarantees of €305 (31/12/2010: €356) in total.

29.4 Anaudited fiscal years

Tax Compliance Report

From the fiscal year 2011 and onwards, the Greek Limited Companies and Limited Liability Companies whose annual financial statements that are audited by auditors, registered in the public Register of Law 3693/2008, are required to take "Annual Certificate" as provided in paragraph 5 of Article 82 of N.2238/1994. The certificate shall be issued following a tax audit conducted by the same auditor or audit firm that controls the annual financial statements. Following the completion of tax audit, the statutory auditor or audit firm issued to the company "Fair Tax Compliance," accompanied by the Appendix detailed information. No later than ten days after the closing date of approval of financial statements in the General Meeting of Shareholders, the Report and the relevant Appendix must be submitted electronically to the Treasury by the statutory auditor or audit firm. The Treasury will then select a sample of at least 9% for tax re-audit by the competent authorities of the Ministry. This check should be completed in no more than eighteen months from the date of the "Fair Tax Compliance" in the Ministry of Finance.

Anaudited fiscal years

The Company has been audited by tax authorities for the years 2009 to 2011. For the possibility of additional taxes and penalties, the Company has made a provision of € 1,037. (See note 18)
For the year 2011 the company has benefited from the tax audit of Chartered Accountants in accordance with the provisions of Article 82 para 5 N. 2238/1994. This monitoring is ongoing and the related tax certificate to be granted after the publication of financial statements year 2011. If at the completion of tax audits result in additional tax liabilities that we estimate will not have a material effect on financial statements.
The subsidiary company has not been audited for the year of 2010 & 2011. Not expected to impose additional taxes and surcharges and therefore no provision has been provided for.

30. NUMBER OF EMPLOYEES

The Group and the Company's number of employees at the end of the current fiscal period were 287 people, while at the end of the respective previous fiscal period it was 327 people.

31. IMPORTANT FACTS FOR THE FISCAL PERIOD 1/1/2011 – 31/12/2011

In a period where the main objective is the sustainability in growth as well as many humanitarian choices, EYATH SA combines the entrepreneurial activity with the social responsibility, providing highly targeted eater and sewerage services under the minimum possible cost. The protection of the water sources and the provision of excellent quality drinking water takes place aside the interest for the protection of the environment mostly the zero pollution of the Thermaikos Bay.

Within this frame the following are planned and set in motion:

- The upgrading of the Sewage Processing Unit in co operation with E.T.V.A as the agent responsible for the management of the Industrial Area of Sindos.
- The electronic monitoring of the Water Supply and Sewerage systems networks so as to have a detailed image regarding the operation and maintenance of the networks.
- The replacement of conventional water meters with electronic ones which will ensure a faster and more precise recording of water consumption.
- The partial replacement of the old network in order to minimise leaks and the minimisation of the water cuts.

In the same direction and in the framework of NSRF two more works were announced which will be under auction in April 2012 with the co finance of NSRF. The plants concern the 'Construction of Section B of the Central Sewerage Pipe of Thessaloniki' under budget of €44 mil. and the 'Construction of Extension of Water Treatment of Thessaloniki Phase 2' budget of €36.5 mil..

In the same direction there were constructed and delivered projects of sewerage biological treatment such as drying out of sludge and other relevant projects total cost of €17.5 mil. and in the pipeline are more projects of €4.5 mil.

The Company has undertaken the operation and maintenance of the Thesalonki Sewerage Treatment Plant which is located in the east side of the Gallikos river and in distance of almost 12Km from the city of Thessaloniki. The plant is almost 40 sqm. and it includes through the Central Sewerage Pipe the largest part of the city's sewerage volume.

Since 2006 the product of the Treatment Plant (hereafter «dried sludge») was transported to the Tsagarades landfill. Since 2006, this landfill stopped operating and the Management of the Mavrorahi landfill refused to accept the product, and the dried sludge is transported to a specially treated area close to the treatment plant where it is treated and buried according to the decision 106129/25.10.2006. In the beginning of 2011, the quantity of this dried sludge which remains at this area is estimated at 250,000 – 270,000 tones almost. The largest part of the amount is located in dried areas which sub-enforced whith special material for the protection of the environment. The issue of the sludge treatment is taken into consideration by the Company Management and specifically in the period (2010 – 2011) were removed from the premises almost 17,000 tones towards production of biological fertilizer but also for the immediate use in agriculture and the production of compost.

The issue is quite complex and potentially presents an investment interest. At the same time it requires specialized studies for the appropriate ways to exploit the dried sludge. The Company Management is in the process of finding the suitable methods of operation but also to define the costs if they need to be removed. Also, in consideration is the purchase of an adjacent land plot for the extension of the treated land for dried sludge, according to the specifications of 106129/25.10.2006. However it is noted that in the current situation it is not possible the precise and credible estimation of the cost for removing the sludge and as a result of the possible obligations that may arise until the final solution of the issue. The Company Management has commissioned a preliminary study, which will identify all the possible ways of the sludge treatment and possible actions which can be taken into consideration for this matter, in conjunction with the products of the thermal drying plants under operation. The Managements' estimation is that the amount of sludge finally needed to be removed, will not significantly affect the financial position of the company, taking into consideration the possibility for hedging of this removal cost, in fees.

Finally, at the end of 2011, the construction of the sludge thermal drying plant was completed in the facilities of E.E.L.Th. With the launch of the Dried Plant (2012), the produced amount of the sludge has already started to dry out and as a result the costs of treatment and landfill of the dried sludge ceases to exist and to burden the financial position of EYATH SA.

32. AUDITORS FEES

The total fees charged in the fiscal year 2011 by the auditing company are analyzed as follows:

Fees for the mandatory audit of the financial statements €74,448

Fees for the audit certificate €60,000

(Amounts in thousands Euro)

33. FACTS POSTERIOR TO THE BALANCE SHEET

ON 27th January 2012, the Development of State's Private Property Fund SA acting upon the Law 3556/2007 announces that there was a percentage change in the share capital of EYATH SA. Specifically this change is due to the transfer without exchange from the Greek State of 14,520,000 shares (40.00%) to the Development of State's Private Property Fund SA, under a non market transfer according to the paragraphs 4 and 5 of the article 2 of the Law 3986/2011 «Urgent Measures for the Medium Term Strategy 2012-2015» and the 195/2011 decision of the Denationalization Committee. The Greek State controls the Development of State's Private Property Fund SA by 100% and as such controls indirectly the voting rights. Further to the previous announcement, EYATH SA announces that following the transfer from the Greek State of 14,520,000 shares of EYATH (a percentage of 40%) in the "Development of State's Private Property Fund SA" and an equal amount of voting rights the percentage of the Greek State to the company's share capital is 34.02%.

There are no facts posterior to the balance sheet of the 31st of December 2011, which could significantly affect the Company's financial state for the fiscal period ending on that date or facts which should be mentioned in the financial statements.

Thessaloniki, the 29th of March 2012

Konstantinos Kamakas	Nikolaos Papadakis	Maria Samara
BoD Chairman	Managing Director	Financial Manager

TABLE OF RAISED FUNDS

WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A.

E.Y.A.TH. S.A.

JOINT STOCK COMPANIES REGISTER NUMBER.: 41913/06/B/98/32

Head Quarters: 127 Egnatias Street- 54635 Thessaloniki

It is announced that according to the decision of the Athens Stock Exchange on the 2.8.2001, from the Share Capital increase of the company in cash on the basis of the Extraordinary General Assembly of the E.Y.A.TH. S.A. shareholders on the 27.7.2001 and the 1/223/7.8.2001 decision of the Board of Directors of the Securities and Exchange Committe, the net amount of €5,430,623.54 (€5,910,000 less expenses €479.376,46). The option execution recording period was from 24.8.2001 to 29.8.2001. From the increase arised 1,500,000 new nominal shares which entered trading on the 21.9.2001. The certification of the Share Capital from the BoD took place on the 13.9.2001. The amounts raised in comparison to the ones reported on the Supplementary Booklet, after the difference that took place after the 30.12.2002, 30.06.2005, 29.12.2006 and26.6.2009 decision of the General Assemblies of the Company Shareholders, it was distributed up until 31.12.2010, according to the table below and completed on the basis of the decision 33 of the Athens Stock Exchange Board of Directors (Meeting on 24.11.2005)

TABLE OF RAISED FUNDS FROM THE SHARE CAPITAL INCREASE IN CASH

MANNER OF CASH AVAILABILITY (INVESTMENT)	Initial Plan based on the awarded paln from the ASE BoD and SEC			Plan according to the Extraordinary Assembly on the 31.12.2002			Completion of the transportation means investment on Q1 2003	Plan according to the General Assembly on the 30.6.2005			Total amount of cahs available for building construction from 1.1.2006 to 31.12.2006	Plan according to the decision of the Extraordinary General Assembly on the 29.16.2006			Total amount of cash available for building construction from 1.1.2007 to 31.12.2008	Plan according to the decision of the General Assembly on the 26.06.2009			Toal cash available for building construction from 1.1.2009 to 31.12.2009	Remaining cash to be available in thousands € in 31.12.2009	Total cash available for building construction from 1.1.2010 to 31.12.2010	Remaining amount of cash to be available in thousand € in 31.12.2010	Total cash available for building construction from 1.1.2011 to 31.12.2011	Remaining amount of cash to be available in thousand € in 31.12.2011
	2002	2003	Total in '000 €	2003	2004	Total in '000 €		2005	2006	Total in '000 €		2007	2008	Total in '000 €		2009	2010	Total in '000 €						
Buildings - Land	2,348	2,348	4,696	2,348	2,348	4,696	0	2,348	2,348	4,696	127	2,284	2,285	4,569	801	1,256	2,513	3,769	55	3,714	0	3,714	6	3,708
Transportation	440	294	734	440	294	734	734																	
Total Amount	2,788	2,642	5,430	2,788	2,642	5,430	734	2,348	2,348	4,696	127	2,284	2,285	4,569	801	1,256	2,513	3,769	55	3,714	0	3,714	6	3,708

Notes: 1) The remaining amount of €3.714 on the 30.06.2011 is attributed on short term deposits and on the Balance Sheet is included on the amount "Cash & Cash Equivalent". 2) The BoD hired a Consultant for the construction of the Building and its completion will take place under the procedure of tender offres which will include study and construction of the building. For that particular reason from the 04.08.2011 decision of the General Assembly of the shareholders it was decided the transfer of the timeline of the completion of the raised funds in the years 2011-2012.

Thessaloniki, 29 of March 2012

THE CHAIRMAN OF THE BoD	THE MANAGING DIRECTOR	THE FINANCIAL MANAGER
Konstantinos Kamakas ID Card Number AA 942423	Nikolaos Papadakis I.D Card No. AZ 187068	Maria Samara Hellenic Financial Chamber License No. 71414 A' grade I.D Card No. S 342116

According to the order we received from the Board of Directors of the 'Water Supply and Sewerage Systems SA' (the 'Company') we completed the following pre agreed procedures in the framework of those explained in the rule book of the ASE as well as the relevant regulatory framework of the SEC according to the Statement of Raised Funds of the Company concerning the share capital increase of the Company in cash that took place on the 13 September 2001. The management of the Company has the responsibility of the above announced statement. We took this study according to the International Standard of Services 4400, 'Assignments on Preagreed procedures on Financial Information'. It is our responsibility to execute the procedures and to notify our findings.

Procedure

1) We compared the amounts stated as payments in the 'Statement of Raised Funds from the Share Capital Increase with Cash' to the respective amounts recognised to the books during the period stated.

2) We examined the completeness of the statement and the consistency of the amount to the ones recorded in the Annual Report, published by the Company for that particular reason, as well as to the relevant decisions, and announcements of the relevant officers of the Company, including those of the General Assemblies of the shareholders according to which the timeline is altered and the use of the raised capital.

Findings

1) The per segment of use amounts appearing in payments in the attached 'Report of Raised Capital from the Share capital Increase with cash' arrive from the Company books in the period in question.

2) The statement includes all the information expected for this reason according to the rule book of ASE and the relevant regulatory framework of the SEC and is consistent to the Annual Report and the relevant announcements of the relevant company officers, including the decisions of the General Assemblies of the Shareholders under which the timeline of the raise funds is altered. Taking into consideration that the procedure is not an overview according to the IFRS we do not express any other confirmation beyond those expressed above. Had we operated additional procedures or executed overview according to the IFRS more issue may had been under our overview which we would acknowledge.

Limitation of use

The present report is directly addressed towards the Board of Directors of the Company within the framework of the rule book of the ASE and the relevant regulatory framework of the SEC. As such this Report is not allowed to be used for any another reasons as it is limited only to the figures examined above and does not expand in the financial statements of the company in full.

Thessaloniki, 29th march 2012

Konstantikou Sotiris	**Koutroulos Konstantinos**
Chartered Auditors Reg. No: 13617	Chartered Auditors Reg. No: 25701

FIGURES AND INRFORMATION

WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A.

JOINT STOCK COMPANIES REGISTER NUMBER.: 41913/06/B/98/32
Headquarters: 127 Egnatias Street- 54635 Thessaloniki
DATA AND INFORMATION OF THE FISCAL PERIOD from the 1st of January 2010 until the 31st of December 2011
(published based on E.L 2190/1920, article 135 for businesses who draw up yearly financial statements, consolidated or not, in accordance with the IAS.)

The following data and information deriving from the financial statements aim to a general informing on the financial state and the results of the Group and the Company «WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI S.A.». We therefore recommend to all our readers, prior to any investment activity or any other transaction with the Company, to refer to the Company website where the periodic financial statements are posted as well as the review report of the chartered auditor when required.

Competent Agency-Prefecture: Ministry Of Development
Website: www.eyath.gr
Board of Directors Composition:

Kamakas Konstantinos - Chairman, executive member, Papadakis Nikolaos - Managing Director, executive member, Asvestas Dimitrios - Vice Chairman, executive member, Tsolakis Apostolos - Vice Chairman, executive member, Zakalkas Dimitrios - Non executive member, Algianakoglou Thomas - Non executive member, Koutrakis Christos - Non executive member, Ladopoulos Savvas - Independent non executive member, Siampiris Thomas - Independent non executive member, Archontopoulos Georgios - Employee Representative, non executive member, Vassiliadis Dimitrios - Employee Representative, non executive member.

Financial Statements Confirmation Date by the Board of Directors: 29th March 2012
Chartered Auditor: Konstantinou Sotirios (S.N.13671), Koutroulos Konstantinos (S.N.25701)
Auditing Company: Grant Thorton A.E. (A.M.127)
Type of Review Report: In accordance

BALANCE SHEET DATA

(The amounts are expressed in thousands of Euros)

	THE GROUP		THE COMPANY	
ASSETS	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Tangible fixed assets used by owners	90.973	91.255	90.973	91.255
Intangible fixed assets	111	112	111	111
Other non current assets	1.424	943	1.484	1.003
Inventories	1.787	2.247	1.787	2.247
Customer claims	53.708	49.297	53.605	49.178
Other current assets	33.539	23.687	33.369	23.536
TOTAL ASSETS	**181.542**	**167.542**	**181.329**	**167.330**
TOTAL NET WORTH AND LIABILITIES				
Equity Capital	40.656	40.656	40.656	40.656
Other net worth capital	83.997	67.540	83.899	67.497
Parent company owners total net worth (a)	**124.653**	**108.196**	**124.555**	**108.153**
Minority rights (b)	0	0	0	0
Total Net Worth (c) = (a) + (b)	**124.653**	**108.196**	**124.555**	**108.153**
Long term loan liabilities	152	619	152	619
Provisions / Other long term liabilities	24.471	24.288	24.471	24.288
Short term loan liabilities	467	621	467	621
Other short term liabilities	31.799	33.818	31.683	33.650
Total liabilities (d)	**56.890**	**59.345**	**56.774**	**59.178**
TOTAL NET WORTH AND LIABILITIES (c) + (d)	**181.542**	**167.542**	**181.329**	**167.330**

ADDITIONAL DATA AND INFORMATION

1. The companies included in the consolidated financial statements for the current fiscal period are presented below. Up until the 31/12/2011 there has been no change in the integrated companies and/or the participation percentage and the method of integration.

Company	Country	Participation percentage	Integration method
EYATH S.A	Greece	Parent Company	Full integration.
EYATH SERVICES S.A	Greece	100%	Full integration.

2.The inaudited fiscal periods for the companies included in the integrated financial lists are the following:

Company	Country	Participation percentage	INAUDITED FISCAL PERIODS
EYATH S.A	Greece	Parent Company	2009-2010
EYATH SERVICES S.A	Greece	100,00%	2010

For the 2011 fiscal year theres is a tax audit taking place from the audit company Grant Thornton, which will publish a tax certificate. (note 18 of the Annual Financial Statements)

3. The formed provisions for likely risks are adjusted per case as follows:

ı) For litigations or disputes under arbitration of the Group and Company as well as for judicial decisions or decisions by arbitrary agencies, there has been a provision of €3,260. Beyond this provision there are no other disputes likely to significantly affect the financial state or the operation of the Group (see note 18 of the Annual Financial Statements)

ii) There has been accumulated provision for bad claims of € 9,388 th. (note 12 of the Annual Financial Statement).

iii) There has been an accumulated provision for inaudited tax periods of €1,037 thousand (see note 18 of the Annual Financial Statements)

iv) There has been an accumulated provision for inventory depreciation of €341 thousand (note 11 of the Annual Financial Statement).

v) There has been an accumulated provision for staff compensation due to retirement of € 3.687 thousand

vi) There are no other provisions

4. There are no encumbrances on the fixed assets of the Group and the Company.

5. The number of employees in the end of the current fiscal period was: Group: 287, Company: 287, while for the respective previous fiscal period the number was 327 for the Group and the Company.

6. The Group and Company investments on fixed assets for the current fiscal period amounted to € 5,971 thousand. For the respective previous fiscal period the number amounted to €6,914 thousand for the Group and the Company.

7. The accumulated amounts of revenues and expenses since the beginning of the fiscal period and the claims and liabilities balances of the Group and Company at the end of the current fiscal period, deriving from transactions with affiliated parties, as determined in IAS 24, are as follows:

(amounts in thousands of Euros)	Group	Compnay
a) Revenues	0	14
b) Expenses	0	1.111
c) Claims	0	99
d) Liabilities	0	144
e) Transactions and fees of executive members and management members	864	862
f) Claims from executive members and management members	20	20
g) Liabilities towards executive members and management members	4	2

8. The Group owns no own shares

9. There are no other total revenues after taxes on the current fiscal period

10. On the 27th of January 2012 it was announced the transfer from the Greek State of 14,520,000 shares of EYATH (40.00%) to the «Development of State's Private Property Fund SA» as well as equal voting rights. The percentage of the Greek State in the shareholder of the company is 34.02%.

TOTAL REVENUES DATA STATEMENT

(The amounts are expressed in thousands of Euros)

	THE GROUP		THE COMPANY	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
	Continuing Activities		**Continuing Activities**	
Turnover	75.400	71.182	75.400	71.182
Gross Profit/(Loss)	32.524	26.304	33.242	26.940
Profit/(Loss) before tax, financing and investing activities	23.416	19.013	23.331	18.957
Pre Tax Profit/(Loss)	26.008	20.878	25.936	20.887
Less Taxes	(5.413)	(8.475)	(5.395)	(8.456)
After tax Profit/ (Loss) (A)	**20.595**	**12.402**	**20.541**	**12.431**
-Parent Company Owners	20.595	12.402	20.541	12.431
-Minority Rights	0	0	0	0
Other total revenues after taxes (B)	0	0	0	0
Total revenues after taxes (A)+(B)	20.595	12.402	20.541	12.431
-Parent Company Owners	20.595	12.402	20.541	12.431
-Minority Rights	0	0	0	0
After tax profit/(loss) per share - basically (in €)	1	0	1	0
Profit / (Loss) before tax, interest and depreciation	28.792	24.830	28.706	24.773

DATA OF NET WORTH CHANGE STATEMENT OF THE FISCAL PERIOD

(The amounts are expressed in thousands of Euros)	THE GROUP		THE COMPANY	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Total own shares at the beginning of the fiscal period (01/01/2011 and 01/01/2010 respectively)	**108.196**	**100.622**	**108.153**	**100.550**
Total income after tax	20.595	12.402	20.541	12.431
Increase / Decrease of equity capital	0	0	0	0
Distributed dividend	(4.138)	(4.828)	(4.138)	(4.828)
Purchases / (sales) own shares	0	0	0	0
Total own shares at the ending of the fiscal period (31/12/2011 and 31/12/2010 αντίστοιχα)	**124.653**	**108.196**	**124.555**	**108.153**

CASH FLOWS STATEMENT

Indirect Method

(The amounts are expressed in thousands of Euros)	THE GROUP		THE COMPANY	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Operational activities:				
Pre-tax Profit / (Loss) (continuing activities)	26.008	20.878	25.936	20.887
Plus (minus) adjustments for:				
Depreciations	6.253	6.155	6.252	6.154
Provisions	3.907	224	3.907	224
Results (revenues, expenses, profit and loss) from investment activity	0	0	0	0
Participation Revenues	0	0	(14)	(66)
Depreciation of fixed assets investment fundings	(877)	(338)	(877)	(338)
Interest and relevant expenses	(2.592)	(1.865)	(2.591)	(1.864)
	32.699	**25.053**	**32.613**	**24.997**
Plus / minus adjustments for changes of working capital accounts or relevant to operational activities:				
Decrease /(Increase) of inventories	360	(21)	360	(21)
Decrease /(Increase) of claims	(8.242)	(9.967)	(8.311)	(9.890)
Decrease / (Increase) of long term claims	10	(1)	10	(1)
(Decrease) / increase of liabilities (banks excluded)	432	3.873	543	3.812
(Less):				
Debit interest and relevant expenses paid	(49)	(65)	(48)	(65)
Taxes paid	(8.256)	(9.473)	(8.243)	(9.440)
Total inflows / (outflows) from operational activities (a)	**16.954**	**9.398**	**16.924**	**9.392**
Investment activity:				
Acquisition of subsidiaries, trust, affiliates and other investements	(5.971)	(6.914)	(5.971)	(6.914)
Interest received	2.518	1.930	2.517	1.929
Total inflows/(outflows) from investment activities (b)	**(3.453)**	**(4.984)**	**(3.453)**	**(4.984)**
Financing activities:				
Repayments of loans	(621)	(689)	(621)	(689)
Cashings from fundings	58	303	58	303
Dividends paid	(4.145)	(4.832)	(4.145)	(4.832)
Total inflows / (outflows) from financing activities ©	**(4.707)**	**(5.217)**	**(4.707)**	**(5.217)**
Net increase / (decrease) of the cash reserves and equivalents of fiscal period (a)+(b)+©	**8.795**	**(802)**	**8.764**	**(809)**
Cash reserves and equivalents at the opening of the period	**14.364**	**15.166**	**14.134**	**14.943**
Cash reserves and equivalents at the ending of the period	**23.159**	**14.364**	**22.898**	**14.134**

Thessaloniki, the 29th of March 2011

THE CHAIRMAN OF THE BoD	THE MANAGING DIRECTOR	THE FINANCIAL MANAGER
Konstantinos Kamakas	**Nikolaos Papadakis**	**Maria Samara**
ID Card Number AA 942423	I.D Card No. AZ 187068	nic Financial Chamber License No. 71414 A
		I.D Card No. S 342116

(Amounts in thousands Euro)

INFORMATION UPON ARTICLE 10 L.3401/2005

EYATH SA made public to the investment community during the fiscal year 1/1/2011-31/12/2011, according to the regulation the following announcements uploaded in the company site (www.eyath.gr) and the ASE site (www.ase.gr).

29/11/2011	Announcement and publication of results
01/09/2011	Announcement on Company Results/Reports
31/08/2011	Other Announcement
11/08/2011	Results Vote of Annual General Meeting
05/08/2011	Fiscal Year 2012 Dividend
05/08/2011	General Meeting decisions
13/07/2011	Invitation to Annual General Meeting
01/07/2011	Press Release
08/06/2011	Invitation to Ordinary General Meeting
06/06/2011	Annual presentation of results to analysts 2011
30/05/2011	Publication of Q1 2011 Financial Results
20/05/2011	Date & place of analyst presentation
29/03/2011	Announcement & Publication on FY 2010Annual Results
24/03/2011	2011 Financial Calendar

AVAILABILITY OF THE ANNUAL FINANCIAL STATEMENTS

The annual and interim financial statements of the Group and the Company, the Auditor's Statements and the Management Report towards the Board of Directors are all uploaded in the Company website (www.eyath.gr).