**ATHENS WATER AND SEWERAGE COMPANY S.A.**

**(EYDAP)**

**CONDENSED FINANCIAL STATEMENTS**

**OF THE GROUP AND THE COMPANY**

**ACCORDING TO IFRS**

**ON SEPTEMBER 2013 – NINE MONTHS PERIOD**

**DOMICILIATION : OROPOU 156 GALATSI**

**REG. NO. G.E.M.H. 121578960000**

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The Condensed Financial Statements, pages 1 to 38, were approved by the Board of Directors on 27 November 2013. Under the permission of the Board of Directors the following officers named below sign the Financial Statements:

Athens, 27 November 2013

| The Chairman of the Management Board and Chief Executive Officer | The member of the Management Board | The Director of the Economic Department | The Chief Accountant Supervisor |
|---|---|---|---|
| VartholomeosAntonios<br>ID.No AK 543580 | Hondrogiannos Ioannis<br>ID No AI 094411 | Spyropoulou Eleni<br>ID No AI 060168<br>Economic Chamber of Greece Accounting License Reg.No A/22806 | Skylaki Lemonia<br>ID No Ξ 971227<br>Economic Chamber of Greece Accounting License Reg.No A/17806 |

## 1. GENERAL INFORMATION FOR THE COMPANY

| | |
|---|---|
| **Name:** | EYDAP SA |
| **Domiciliation:** | Oropou 156 – Galatsi |
| **Date of Establishment:** | 25/10/1999 |
| **Duration:** | 100 years |
| **Main Activity:** | Water Supply - Sewerage |
| **Registration Number G.E.MH.:** | 121578960000 |
| **Prefecture:** | Athens |
| **Tax Number:** | 094079101 |
| **Members of the Board of Directors:** | A. Vartholomeos, E. Paleologos, E. Karachaliou, G. Zafiropoulos, L. Zografos, P. Kamas, A. Kourtis, I. Hondrogiannos, Ep. Sklavenitis, P. Skoularikis, Ch. Mistriotis, E. Aggelakis, E. Moutafis |
| **Ending Day of the Period:** | 30 September 2013 |
| **Period:** | 9 months |
| **Form of Financial Statements:** | Interim Condensed – 3rd Quarter |
| **Date of Approval of Financial Statements:** | 27 November 2013 |
| **Internet address where the Financial Statements are registered:** | www.eydap.gr |

***All amounts in the Condensed nine months Financial Statements and Notes are in euro thousands unless otherwise stated.***

## 2. CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

### GROUP

| *Amounts in Thousands of €* | NOTES | 30.09.2013 | 30.09.2012 | 1.07-30.09.13 | 1.07-30.09.12 |
|---|---|---|---|---|---|
| Revenue from services rendered | 4 | 264.069 | 268.623 | 103.114 | 106.548 |
| Cost of Services | 4 | (131.923) | (141.366) | (34.190) | (43.439) |
| | | | | | |
| **Gross Profit** | | **132.146** | **127.257** | **68.924** | **63.109** |
| Other Operating Income | | 1.600 | 1.132 | 263 | 344 |
| General and administration expenses | 4 | (45.578) | (33.954) | (20.289) | (11.528) |
| Distribution and selling expenses | 4 | (25.644) | (20.619) | (12.434) | (6.458) |
| | | | | | |
| **Profit from operating activities** | 4 | **62.524** | **73.816** | **36.464** | **45.467** |
| | | | | | |
| Other operating expenses | | (2.965) | (1.834) | (20) | (577) |
| Finance income net | | 13.142 | 3.700 | 8.399 | 1.317 |
| Finance costs net | | (8.178) | (12.479) | (2.362) | (4.297) |
| **Profit from ordinary activities before income taxes** | | **64.523** | **63.203** | **42.481** | **41.910** |
| | | | | | |
| Income tax expenses | 5 | **10.763** | **(15.341)** | **(1.063)** | **(8.666)** |
| | | | | | |
| **Net profit for the year** | | **75.287** | **47.862** | **41.418** | **33.244** |
| Shares outstanding | | 106.500 | 106.500 | 106.500 | 106.500 |
| **Earnings per share (in €)** | 6 | **0,71** | **0,45** | **0,39** | **0,31** |

**COMPANY**

| *Amounts in Thousands of €* | NOTES | 30.09.2013 | 30.09.2012 | 1.07-30.09.13 | 1.07-30.09.12 |
|---|---|---|---|---|---|
| Revenue from services rendered | 4 | 264.069 | 268.623 | 103.114 | 106.548 |
| Cost of Services | 4 | (131.923) | (141.366) | (34.190) | (43.439) |
| | | | | | |
| **Gross Profit** | | **132.146** | **127.257** | **68.924** | **63.109** |
| Other Operating Income | | 1.600 | 1.132 | 263 | 343 |
| General and administration expenses | 4 | (45.561) | (33.942) | (20.281) | (11.524) |
| Distribution and selling expenses | 4 | (25.644) | (20.619) | (12.434) | (6.457) |
| | | | | | |
| **Profit from operating activities** | 4 | **62.541** | **73.828** | **36.472** | **45.471** |
| | | | | | |
| Other operating expenses | | (3.453) | (1.834) | (19) | (577) |
| Finance income net | | 13.142 | 3.700 | 8.399 | 1.318 |
| Finance costs net | | (8.178) | (12.479) | (2.362) | (4.297) |
| | | | | | |
| **Profit from ordinary activities before income taxes** | | **64.052** | **63.215** | **42.490** | **41.915** |
| | | | | | |
| Income tax expenses | 5 | **10.763** | **(15.341)** | **(1.063)** | **(8.666)** |
| | | | | | |
| **Net profit for the year** | | **74.815** | **47.874** | **41.427** | **33.249** |
| Shares outstanding | | 106.500 | 106.500 | 106.500 | 106.500 |
| **Earnings per share (in €)** | 6 | **0,70** | **0,45** | **0,39** | **0,31** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as a result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25).***

## 3. CONSOLIDATED STATEMENT OF TOTAL INCOME FOR PERIOD ENDED 30 SEPTEMBER 2013 & 2012

### GROUP

| *Amounts in Thousands of €* | **30.09.2013** | **30.09.2012** | **1.07-30.09.13** | **1.07-30.09.12** |
|---|---|---|---|---|
| **Profit after taxes** | **75.287** | **47.862** | **41.418** | **33.244** |
| Portfolio Valuation available for sale-other income included in subsequent periods results | 40 | 199 | 119 | 130 |
| Actuarial profit/loss change of defined benefits-other income not transferred in subsequent periods results | | 8 | | 3 |
| **Aggregate total income after taxes** | **75.327** | **48.069** | **41.537** | **33.377** |

### COMPANY

| *Amounts in Thousands of €* | **30.09.2013** | **30.09.2012** | **1.07-30.09.13** | **1.07-30.09.12** |
|---|---|---|---|---|
| **Profit after taxes** | **74.815** | **47.874** | **41.427** | **33.249** |
| Portfolio Valuation available for sale-other income included in subsequent periods results | 40 | 199 | 119 | 130 |
| Actuarial profit/loss change of defined benefits-other income not transferred in subsequent periods results | | 8 | | 3 |
| **Aggregate total income after taxes** | **74.855** | **48.081** | **41.546** | **33.382** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as a result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25)***

## 4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2013

### GROUP

| *Amounts in Thousands of €* | NOTES | 30.09.2013 | 31.12.2012 | 31.12.2011 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | 3.357 | 3.357 | 3.357 |
| Other Intangible assets | **8** | 1.049 | 1.772 | 3.185 |
| Property, plant and equipment, net | **8** | 977.323 | 995.178 | 1.017.919 |
| Investments in associates | **15** | - | 53 | 129 |
| Available-for-sale Investments | | 1.642 | 1.602 | 848 |
| Long-term receivables | **9** | 3.334 | 147.591 | 136.024 |
| Deferred tax assets | **17** | 100.185 | 66.453 | 63.983 |
| **Total non-current assets** | | **1.086.890** | **1.216.006** | **1.225.445** |
| | | | | |
| **Current assets** | | | | |
| Inventories | **10** | 15.956 | 17.616 | 16.288 |
| Trade receivables | **11** | 355.359 | 310.042 | 322.012 |
| Other receivables | **12** | 139.305 | 90.513 | 82.121 |
| Current tax assets | | - | - | 576 |
| Cash and cash equivalents | | 70.212 | 43.106 | 21.975 |
| **Total Current assets** | | **580.832** | **461.277** | **442.972** |
| | | | | |
| **Total Assets** | | **1.667.722** | **1.677.283** | **1.668.417** |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Issued Capital | **18** | 63.900 | 63.900 | 63.900 |
| Share Premium | | 40.502 | 40.502 | 40.502 |
| Other Reserves | | 381.053 | 381.013 | 380.258 |
| Retained Earnings | **22** | 412.235 | 358.248 | 324.718 |
| **Total Equity** | | **897.690** | **843.663** | **809.378** |
| | | | | |
| **Non-current liabilities** | | | | |
| Reserve for employees benefits | **20** | 322.584 | 258.413 | 278.090 |
| Provisions | **23** | 81.864 | 68.002 | 59.418 |
| Investment subsidies and customer contributions | | 206.541 | 211.379 | 213.737 |
| Consumers' guarantees | | 18.014 | 17.927 | 17.777 |
| **Total non-current liabilities** | | **629.003** | **555.721** | **569.022** |
| | | | | |
| **Current Liabilities** | | | | |
| Operating Current Liabilities | **13** | 43.564 | 56.576 | 56.743 |
| Current tax liabilities | **21** | 7.056 | 8.714 | 0 |
| Short term loans and borrowings | **19** | 65.762 | 185.481 | 201.673 |
| Other current liabilities | **14** | 24.647 | 27.128 | 31.601 |
| **Total Current Liabilities** | | **141.029** | **277.899** | **290.017** |
| | | | | |
| **Total Equity and Liabilities** | | **1.667.722** | **1.677.283** | **1.668.417** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25).***

## 5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2013

### COMPANY

| *Amounts in Thousands of €* | NOTES | 30.09.2013 | 31.12.2012 | 31.12.2011 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | 3.357 | 3.357 | 3.357 |
| Other Intangible assets | **8** | 1.049 | 1.772 | 3.185 |
| Property, plant and equipment, net | **8** | 977.323 | 995.178 | 1.017.919 |
| Investment in associates | **15** | - | 542 | 542 |
| Investment in subsidiaries | **16** | 60 | 60 | 60 |
| Available-for-sale Investments | | 1.642 | 1.603 | 848 |
| Long-term receivables | | 3.333 | 147.590 | 136.023 |
| Deferred tax assets | **9** | 100.185 | 66.450 | 63.981 |
| **Total non-current assets** | **17** | **1.086.949** | **1.216.552** | **1.225.915** |
| | | | | |
| **Current assets** | | | | |
| Inventories | | 15.956 | 17.616 | 16.288 |
| Trade receivables | **10** | 355.359 | 310.041 | 322.015 |
| Other receivables | **11** | 139.301 | 90.512 | 82.121 |
| Available-for-sale financial assets | **12** | - | - | 576 |
| Cash and cash equivalents | | 70.179 | 43.072 | 21.920 |
| **Total Current assets** | | **580.795** | **461.241** | **442.920** |
| | | | | |
| **Total Assets** | | **1.667.744** | **1.677.793** | **1.668.835** |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Issued Capital | **18** | 63.900 | 63.900 | 63.900 |
| Share Premium | | 40.502 | 40.502 | 40.502 |
| Other Reserves | | 381.053 | 381.013 | 380.258 |
| Retained Earnings | **22** | 412.274 | 358.759 | 325.138 |
| **Total Equity** | | **897.729** | **844.174** | **809.798** |
| | | | | |
| **Non-current liabilities** | | | | |
| Reserve for employees benefits | **20** | 322.584 | 258.413 | 278.090 |
| Provisions | **23** | 81.864 | 68.002 | 59.419 |
| Investment subsidies and customer contributions | | 206.541 | 211.379 | 213.737 |
| Consumers' guarantees | | 18.014 | 17.927 | 17.777 |
| **Total non-current liabilities** | | **629.003** | **555.721** | **569.023** |
| | | | | |
| **Current Liabilities** | | | | |
| Operating Current Liabilities | **13** | 43.560 | 56.576 | 56.740 |
| Current tax liabilities | **21** | 7.056 | 8.714 | - |
| Short term loans and borrowings | **19** | 65.762 | 185.481 | 201.673 |
| Other current liabilities | **14** | 24.634 | 27.127 | 31.601 |
| **Total Current Liabilities** | | **141.012** | **277.898** | **290.014** |
| | | | | |
| **Total Equity and Liabilities** | | **1.667.744** | **1.677.793** | **1.668.835** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25).***

## 6. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

### GROUP

| 2013<br>*Amounts in Thousands of €* | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2013 | 63.900 | 40.502 | 21.547 | 358.283 | 1.183 | 358.248 | 843.663 |
| Profit for the year | | | | | | 75.287 | 75.287 |
| Net income registered directly to Equity | | | | | 40 | | 40 |
| Dividends paid | | | | | | (21.300) | (21.300) |
| **Equity Balance at 30 September 2013** | **63.900** | **40.502** | **21.547** | **358.283** | **1.223** | **412.235** | **897.690** |

| 2012<br>*Amounts in Thousands of €* | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 324.718 | 809.378 |
| Profit for the year | | | | | | 47.862 | 47.862 |
| Net income registered directly to Equity | | | | | 199 | 8 | 207 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at 30 September 2012** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **354.483** | **839.342** |

### COMPANY

| 2013<br>*Amounts in Thousands of €* | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2013 | 63.900 | 40.502 | 21.547 | 358.283 | 1.183 | 358.759 | 844.174 |
| Profit for the year | | | | | | 74.815 | 74.815 |
| Net income registered directly to Equity | | | | | 40 | | 40 |
| Dividends paid | | | | | | (21.300) | (21.300) |
| **Equity Balance at 30 September 2013** | **63.900** | **40.502** | **21.547** | **358.283** | **1.223** | **412.274** | **897.729** |

| 2012<br>*Amounts in Thousands of €* | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 325.138 | 809.798 |
| Profit for the year | | | | | | 47.874 | 47.874 |
| Net income registered directly to Equity | | | | | 199 | 8 | 207 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at 30 September 2012** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **354.915** | **839.774** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25).***

## 7. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

| *Amounts in Thousands of €* | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **1.1-30.09.2013** | **1.1-30.09.2012** | **1.1-30.09.2013** | **1.1-30.09.2012** |
| **Cash Flows from operating activities** | | | | |
| Profit before tax | 64.523 | 63.203 | 64.052 | 63.215 |
| *Adjustments for:* | | | | |
| Depreciation and amortization of tangible and intangible assets | 30.166 | 29.244 | 30.166 | 29.244 |
| Amortization of customers' contributions and subsidies | (6.366) | (5.389) | (6.366) | (5.389) |
| Income from investments | (43) | (50) | (43) | (50) |
| Loss from associated company write-off | 5 | 0 | 494 | 0 |
| Employees' end of service provisions | 63.490 | 645 | 63.490 | 645 |
| Provisions | (38.470) | 14.963 | (38.470) | 14.963 |
| Interest and related income | (13.099) | (3.650) | (13.099) | (3.650) |
| Interest and related expenses | 8.182 | 12.479 | 8.178 | 12.479 |
| *Operating income before working capital changes / changes in operating assets and liabilities* | | | | |
| *( Increase in ) Decrease in:* | | | | |
| Receivables | 99.981 | (55.833) | 99.986 | (55.832) |
| Inventories | 1.685 | (1.059) | 1.685 | (1.059) |
| *Increase in (Decrease in)* | | | | |
| Trade and other payables | (6.701) | (16.507) | (6.720) | (16.501) |
| Consumers' guarantees | 87 | 118 | 87 | 118 |
| Reserve for employees benefits | 681 | 435 | 681 | 435 |
| *Minus:* | | | | |
| Interest and related expenses paid | (9.315) | (12.498) | (9.315) | (12.498) |
| Income Tax paid | (24.255) | (6.242) | (24.255) | (6.242) |
| **Net cash generated by operating activities (a)** | **170.551** | **19.859** | **170.551** | **19.878** |
| **Cash Flows from investing activities** | | | | |
| Payments for property, plant and equipment | (11.237) | (11.514) | (11.237) | (11.514) |
| Payments for intangible assets | (350) | (500) | (350) | (500) |
| Proceeds from customers' contributions and subsidies | 1.528 | 3.803 | 1.528 | 3.803 |
| Interest and related income received | 4.035 | 2.848 | 4.035 | 2.848 |
| Dividends received | 43 | 50 | 43 | 50 |
| Proceeds from associated company write-off | 48 | 0 | 48 | 0 |
| **Net cash (used in) generated by investing activities (b)** | **(5.933)** | **(5.313)** | **(5.933)** | **(5.313)** |
| **Cash Flows from financing activities** | | | | |
| Repayment of borrowings | (117.993) | (9.872) | (117.993) | (9.872) |
| Dividends paid | (19.518) | (7.741) | (19.518) | (7.741) |
| **Net cash used in financing activities (c)** | **(135.511)** | **(17.613)** | **(137.511)** | **(17.613)** |
| **Net increase (decrease) in cash and cash equivalents** (a) + (b) + (c) | **27.107** | **(3.067)** | **27.107** | **(3.048)** |
| **Cash and cash equivalents at the beginning of the period** | **43.106** | **21.975** | **43.072** | **21.920** |
| **Cash and cash equivalents at the end of the period** | **70.212** | **18.908** | **70.179** | **18.872** |

***The notes referred to the pages 8-38 form an integral part of the nine months financial statements of the Group and the Company. The comparative data has been restated as result of the change in the accounting policy towards employee benefits according to IAS 19 (note 25)***

## 1. BASIS OF CONDUCTION

**Principal accounting policies**

The financial statements of the period 1.01-30.09.2013 are condensed and conducted according to the IAS 34 «Interim Financial Statements ».

## 2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

**Amendments to standards being part of the annual improvement program of the IASB (International Accounting Standards Board)**

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in May 2012. The following amendments shall apply to the annual accounting periods beginning on or after 1 January 2013, unless otherwise indicated. In addition, unless otherwise stated, these amendments are not expected to have a considerable effect on the Group's financial statements.

**IFRS 1 "First Time Adoption of International Financial Reporting Standards"**

The amendments to IFRS 1 permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets.

**IAS 1"Presentation of Financial Statements"**

The amendments to IAS 1 provide clarification on the requirements of comparative information.

**IAS 16 "Property Plant & Equipment"**

The amendments to IAS 16 provide guidance on the classification of servicing equipment.

**IAS 32 "Financial Instruments: Presentation"**

The amendment clarifies that the tax effects of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 'Income Taxes'.

**IAS 34 "Interim Financial Reporting"**

The amendment provides clarification on the interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 'Operating Segments'.

**Standards effective from periods beginning on or after January 1, 2013**

**IFRS 7 (Amendment) "Financial Instruments: Disclosures" (applies to annual periods beginning on or after 1 January 2013 and interim periods within those periods)**

The amendment requires additional information enhancing disclosures about offsetting of financial assets and financial liabilities.

**IFRS 9 (Amendment) "Financial Instruments"** (applies to annual periods beginning on or after 1 January 2015)

The amendments defer the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015, with earlier application permitted. The requirement to restate prior periods on initial application of IFRS 9 is eliminated. Specifically an entity is required to disclose changes in the classifications of financial assets and financial liabilities, showing separately changes in carrying amounts on the basis of their measurement categories in accordance with IAS 39 and changes to carrying forward amounts arising from a change in measurement attribute on the transition to IFRS 9.

For financial assets and financial liabilities reclassified so that they are measured at amortised cost, an entity must disclose: a) the fair value of the financial assets or financial liabilities at the end of the reporting period, b) the fair value gain or loss that would have been recognized in profit or loss during the reporting period if the financial assets had not been reclassified, c) the effective interest rate determined on the date of reclassification and d) the interest income or expense recognized.

In addition, if an entity treats the fair value of a financial asset or financial liability as its amortised cost at the date of initial application of IFRS 9, the effective interest rate determined on the date of reclassification and the interest income or expense recognized would be disclosed for each reporting period following reclassification until derecognition of the asset or liability. The Group is in the process of evaluating the effect of IFRS 9 in the financial statements. IFRS 9 has not yet been adopted by EU.

**IFRS 9"Financial Instruments"** (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value depending on the business model of the legal entity in relation to the management of the financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications except in rare cases where the business model of the entity changes so the entity is required to reclassify subsequently the financial assets affected. Under IFRS 9 all equity investments must be measured at fair value. Management has the choice though, to recognize fair value profit and loss on equity investments not held for sale in other comprehensive income. This recognition is done initially separately for every financial instrument and may not change. Fair value profit and loss may not be subsequently recognized through profit and loss, while income from dividends will continue to be recognized through profit and loss. IFRS 9 stops the exemption of measuring at cost of non-listed investments and derivatives on non-listed investments but gives directions as to when the cost can be a representative estimation of fair value. The Group is in the process of evaluating the effect of IFRS 9 in the financial statements. IFRS 9 has not yet been adopted by EU.

**IFRS 10 "Consolidated Financial Statements"** (Applicable to annual reporting periods beginning on or after 1 January 2013)

IFRS 10 replaces in full the instructions related on control and consolidation, as provided in IAS 27 and SIC 12. The new standard is based on the concept of control as a key factor in deciding whether an entity should be consolidated. The standard provides extensive guidance on the three elements that define the concept of control over an entity, and the different ways in which one entity (investor) can control another entity (investment). It also sets out the principles for the preparation of consolidated financial statements.

On June 2012 IFRS 10 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' (2011) and IAS 28 'Investments in Associates and Joint Ventures' (2011).

**IFRS 11 "Joint Arrangements"** (Applicable to annual reporting periods beginning on or after 1 January 2013)

IFRS 11 replaces IAS 31 'Interests in Joint Ventures'. It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement (Joint arrangements are either joint operations or joint ventures). A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

On June 2012 IFRS 11 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Further to this the amendment eliminates the requirement to provide comparative information for periods prior to the immediately preceding period. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' (2011) and IAS 28 'Investments in Associates and Joint Ventures' (2011).

**IFRS 12 "Disclosure of Interests in Other Entities"** (Applicable to annual reporting periods beginning on or after 1 January 2013)

IFRS 12 focuses on the necessary disclosures of a financial entity, including significant judgmental and hypothetical decisions, that will allow the readers of the financial statements to evaluate the nature, the risks and the consequences, from a financial point of view, that relate with the participation of the financial entity in subsidiaries, associates, joint ventures and non-consolidated financial entities.

On June 2012 IFRS 12 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Further to this the amendment eliminates the requirement to provide comparative information for periods prior to the immediately preceding period. A financial entity can adopt some or all of the above disclosures without been obliged to adopt either IFRS 12 in total or the rest of the standards that are included in the “suite of five” standards on consolidation, joint arrangements and disclosures: IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' (2011) and IAS 28 'Investments in Associates and Joint Ventures' (2011).

**IFRS 13 “Fair Value Measurement”** (Applicable to annual reporting periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on measuring fair value and required disclosures. The requirements of the standard do not expand the use of fair values but provide clarification on their application if their use is binding on other standards. The IFRS 13 provides precise definition of fair value and guidance on measuring fair value and required disclosures, regardless of the model based on making use of fair values. Moreover, the required disclosures have been extended to cover all assets and liabilities measured at fair value, not just financial.

**IFRS 10, IFRS 12, IAS 27 (Amendment) “Investment Companies”** (Applicable for periods beginning on or after 1 January 2014)

The amendment provides to ‘Investment Companies’ (as defined in the standards) an exemption from the consolidation of particular subsidiaries and instead requires that an investment entity measures the investment in each eligible subsidiary at fair value through profit and loss in accordance with IFRS 9 or IAS 39. Further to this the amendment requires additional disclosures about the reasons that the entity is considered an investment entity, details of the entity’s unconsolidated subsidiaries and also the nature of the relationship and certain transactions between the investment entity and its subsidiaries. The amendment also requires an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The standard has not yet been adopted by the European Union.

**IAS 19 (Amendment) “Employee Benefits (2011)”** (Applicable to annual reporting periods beginning on or after 1 January 2013)

This amendment introduces substantial changes in the identification and measurement of the cost of defined benefit plans and retirement benefit obligations (abolition of the margin method) and the disclosures of all employee benefits. The main changes relate mainly to the recognition of actuarial gains and losses, the recognition of past service costs, the measurement of pension expense, the required disclosures and the handling costs and taxes associated with defined benefit plans.

**IAS 27 (Amendment) “Separate Financial Statements (2011)”** (Applicable to annual reporting periods beginning on or after 1 January 2013)

This standard was published at the same time with IFRS 10, and in conjunction these two standards will replace IAS 27 ‘Consolidated and Separate Financial Statements’. The amended IAS 27 defines the accounting treatment and the necessary disclosures that entity must include when preparing separate financial statements, relating with its participation in subsidiaries, associates and joint ventures. Requirements necessary for consolidated financial statements are now included in IFRS 10 ‘Consolidated Financial Statements’. The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 ‘Financial Instruments’ and IAS 39 ‘Financial Instruments: Recognition and Measurement’. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' (2011) and IAS 28 'Investments in Associates and Joint Ventures' (2011).

**IAS 28 (Amendment)**“**Investments in Associates and Joint Ventures”(2011)** (effective for annual periods beginning on or after 1 January 2013)

This Standard supersedes IAS 28 ‘Investments in Associates’ and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The Group will apply this standard as soon as this will become effective and does not expect to have a material impact on the financial statements of the Group or the Company. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' (2011) and IAS 28 'Investments in Associates and Joint Ventures' (2011).

**IAS 32 (Amendment) “Financial Instruments: Presentation”** (Applicable to annual periods beginning on or after 1 January 2014)

The amendment to IAS 32 ‘Financial Instruments’, settles inconsistencies in practice when applying the criteria for offsetting financial assets and liabilities in IAS 32 ‘Financial Instruments: Presentation’.

**IFRS1 (Amendment) "First Time Adoption of International Financial Reporting Standards"** (Applicable to annual periods beginning on or after 1 January 2013)
Amends IFRS 1 '*First-time Adoption of International Financial Reporting Standards',* to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs.

The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 '*Accounting for Government Grants and Disclosure of Government Assistance'* in relation to accounting for government loans.

First-time adopters of IFRSs are permitted to apply the requirements in paragraph 10A of IAS 20 only to new loans entered into after the date of transition to IFRSs. The first-time adopter is required to apply IAS 32 '*Financial Instruments: Presentation'* to classify the loan as a financial liability or an equity instrument at the transition date. However, if it did not, under its previous GAAP, recognize and measure a government loan at a below-market rate of interest on a basis consistent with IFRS requirements, it would be permitted to apply the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of the loan in the opening IFRS statement of financial position. An entity would then apply IAS 39 or IFRS 9 in measuring the loan after the transition date.

**IAS 36 (Amendment) "Impairment of Assets"** (Applicable to annual periods beginning on or after 1 January 2014)

Amends IAS 36 "Impairment of Assets" in order to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, to clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair valueless costs of disposal) is determined using a present value technique. The standard has not yet been adopted by the European Union.

**IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"** (Applicable to annual periods beginning on or after 1 January 2014)

Amends IAS 39 "Financial Instruments: Recognition and Measurement" so as to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations. The standard has not yet been adopted by the European Union.

**IFRIC 21 "Levies"** (Applicable to annual periods beginning on or after 1 January 2014)

Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies: a) The liability is recognized progressively if the obligating event occurs over a period of time & b) If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. The interpretation has not yet been adopted by the European Union.

## 3. ACCOUNTING PRINCIPLES

The condensed nine months financial statements have been conducted under the historical cost convention, except for the revaluation of certain properties and financial instruments.

The basic accounting principles, estimations and computations followed, have not changed in relation with the company's financial statements of 31 December 2012.

Both the Group and the Company apply for the first time the revised IAS 19 "employee benefits" combined with IAS 8 which requires reclassification of certain funds in the comparative financial statements, as analyzed in note 25.

The condensed nine months financial statements must be examined in relation with the annual ones, audited by the Chartered Accountants, of 31 December 2012 which are available in the company's internet address www.eydap.gr

**Basis of Consolidation**

The Consolidated financial Statements of the current as well as the previous period, include the parent company and its subsidiaries. Subsidiaries are considered to be all those companies managed or controlled directly or indirectly by the parent company through the holding of the majority of their stocks or through their dependence on group's technological knowledge.

Subsidiaries financial statements are included in consolidated financial statements from the date of control accession to the date that control over the subsidiary stops.

During the subsidiary's acquisition the respective claims, liabilities plus potential liabilities are assessed in their fair value. In such case that acquisition value is greater than fair value the respective difference is recognized as goodwill.

In the opposite case where acquisition value is lower than fair value the respective difference is recognized as credit in the financial results of the acquisition use. Minority interests are showed (in minority's analogy) in the fair value of the assets and liabilities where recognized.

Subsidiaries acquisitions are recognized under the acquisition method. The subsidiaries financial results which were obtained or sold during the reporting period are included in the respective consolidated statements from their acquisition date to their sale date.

When is being necessary subsidiaries financial statements are restated for data comparison reasons. During the consolidation all transactions among group's companies as also balances, profits or losses between them are erased.

In the Company's financial statements participations in subsidiaries or affiliates are carried out in their acquisition cost deducted by their impairment cost.

The company inspects in a yearly basis all impairment indications in the accounting value of the subsidiaries in relation with their recoverable value on the basis of the higher value between the fair value less cost to sell and the respective value in use.

## 4. RESULTS FOR THE PERIOD

TURNOVER

The company's sales fell by € 4,6 m mainly due to :

*The decrease in:*

- Revenues from water supply and related services by 3,4 m.
- Revenues from sewerage services by 3,6 m.

*The increase in:*

- Revenues from electric power sales by 2,4 m.

COST OF GOODS

The cost of goods sold dropped by € 9,4 m. This change can be attributed to:

*The decrease in:*

- provisions for bad debts by € 65,2 m. as a result of the collection of €149,5 m. by the Greek State (Ministerial Consensus Decision No 38560/26.09.2013 of the Ministers of Finance and Interior Administration, Official Gazette no 2410)
- provision for personnel vacation leave by €1,2 m.

*The increase in:*

- consumption of inventories by € 1,5 m.
- pending litigations by € 10,5 m.
- municipality rates by € 1,4 m.
- other provisions by € 0,2 m.

The Company has formed a provision of € 43,3 m. concerning its obligation towards lump sum compensation for recruits before 25 October 1999. The relevant collective agreements were made on 02.07.1991, 25.05.1992, 21.06.1995 and 05.06.2008. As a result of the implementation of the clause 45, Law 4179/2013 the Greek State is released from its obligation to participate on the coverage of the deficit of the account of special lump sum for recruits before 25 October 1999.

ADMINISTRATIVE COSTS

The administrative costs increased by € 11,6 m. This can be mainly attributed to:

- the provision of € 10,4 concerning special lump sum compensation for recruits before 25 October 1999
- the reduction in employees' benefits by € 4,2 m.

- the increase in utility expenses by € 4,7 m.
- the increase in other expenses by € 0,7 m.

DISTRIBUTION COSTS

Distribution costs increased by € 5 m. This change is mainly due to:

- the provision of € 6,1 m. concerning special lump sum compensation for recruits before 25 October 1999, as mentioned above
- the decrease in utility expenses by € 1,2 m.

OPERATING PROFIT

The total turnover decreased by € 11,3 m., as explained above.

EARNINGS AFTER TAX

The change of tax rate from 20% to 26% significantly influenced the deferred tax receivables by € 19,9 m. improving tax-revenues of the period.

OPERATING SECTORS

The basic company's activities (water and sewerage services) are not lying in different risks and returns. As a result the company did not release any details towards its operating activities.

Furthermore, according to Law 4053/2012 EYDAP may provide the full range of services specified in Law 2744/1999 and beyond the area of its responsibility by installing subsidiaries and signing program contracts with the local authorities. Consequently, a new development framework for the Company is arising, through the expansion of the market in which it can operate and develop.

## 5. INCOME TAX (GROUP & COMPANY) INCOME TAX IS ANALYZED AS FOLLOWS:

| *Amounts in Thousands of €* | **30.09.2013** | **30.09.2012** |
|---|---|---|
| Income Tax | 22.367 | 15.727 |
| Unaudited fiscal years (by public revenue authorities) | 605 | (171) |
| Deferred Tax | (33.735) | (215) |
| **Total** | **(10.763)** | **15.341** |

Income tax for the current period improved profit before tax and was assessed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| *Amounts in Thousands of €* | **30.09.2013** | **30.09.2012** | **30.09.2013** | **30.09.2012** |
| Profit before tax | 64.523 | 63.203 | 64.051 | 63.215 |
| Income tax assessed based on the current tax rate (26% and 20%) | 16.776 | 12.641 | 16.653 | 12.643 |
| Audit tax difference and provision for unaudited (by public revenue authorities ) periods | 605 | (171) | 605 | (171) |
| Tax over non-deductible tax expenses | (8.212) | 2.871 | (8.089) | 2.869 |
| Tax after tax rate change | (19.932) | | (19.932) | |
| **Total** | **(10.763)** | **15.341** | **(10.763)** | **15.341** |

## 6. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings per share is based on the following data:

| *Amounts in Thousands of €* | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2013** | **30.09.2012** | **30.09.2013** | **30.09.2012** |
| Earnings | 75.287 | 47.862 | 74.815 | 47.874 |
| Number of shares | 106.500 | 106.500 | 106.500 | 106.500 |
| Earnings per share | 0,71 | 0,45 | 0,70 | 0,45 |

## 7. DIVIDENDS

The General Shareholders Meeting approved a dividend distribution of fifteen cents (0,15 €) per share for 2012. Dividend per share for 2011 was seventeen cents (0,17 €).

The Management Board by their decision no 18108/28.06.2013 made a proposal to the extraordinary General Shareholders Meeting. On 26.07.2013 the shareholders approved a dividend per share of five cents (0,05 €). The total dividend of € 5.325 comes from the “retained earnings” account.

## 8. OTHER INTANGIBLE AND TANGIBLE ASSETS

The company’s development targets involve investments towards modernization of its functions in order to meet the growing demands for water and sewerage supplies in the Attica region (capital and suburbs), the securing of excellent quality of water and services.

Thus, during the period 01/01/2013-30/09/2013, the company accomplished investments of € 10,9 m. mainly involving the expansion of water supply and sewerage networks, as well as it spent € 1,1 m for the acquisition of other fixed assets like machinery, furniture and fixtures and other equipment. Nine months depreciation concerning tangible assets was approximately € 22,7 m. while depreciation concerning intangible assets was approximately € 1,0 m.

## 9. LONG TERM RECEIVABLES

Long Term receivables include:

- Personnel's long term loans of approximately € 2,1 m.( € 1,7 m. on 31/12/2012).
- Payroll cut backs of approximately € 0,6 m. ( € 2,1 on 31.12.2012)
- Given Guarantees of € 0,6 m. (€ 0,7 m on 31/12/2012).

Claims against the Greek State (EYDAP Fixed Assets and Ministry of Transport, Infrastructure and Networks for the construction and maintenance expenditures of its possession works of approximately € 113,5 m. After the publishment of the clause 45 of Law 4179/2013 they are transferred to Current Assets in "Other Receivables" account.

## 10. MATERIALS AND SPARE PARTS (INVENTORIES)

Inventories include provisions of € 2,3 m .for stock depreciation, which are shown up subtractive to their value.

## 11. CLAIMS TOWARDS CUSTOMERS

The customers balance increased in the current period by approximately € 45,3 m. The customers balance decreased by € 10,1 m. mainly due to the rise in the collection of claims towards Municipalities and the Public Sector.

The company in order to confront credit risk concerning its failing to collect its claims has formed provisions for doubtful debts, the amount of which was approximately € 30,3 m on 30/9/2013 (approximately € 85,7 m. on 31/12/2012).

On 08.10.2013 the Company received from the Greek State an amount of € 146,8 m. (on behalf of Municipalities) and € 2,6 m. (on behalf of other public entities) according to No 38560/26.09.2013 Ministerial consensus decision (Official Gazette No 2410) of the Ministers of Finance and Internal Administration.

As a result of the reduction in claims against the Greek State and Municipalities by € 150 m. approximately on 8/10/2013, the Company has redefined the cumulative provision for bad debts to € 30,3 m. (€ 85,7 on 31/12/2012). Because of the great amount of its clients (approximately 2.046.626 on 30/9/2013) the Company's credit risk is relatively low.

Simultaneously, the contract terms of water supply and sewerage services are such giving the company the maximum possible degree of collecting its claims from the owners of water supplies. The provision for doubtful debts that has been formed is mainly based on statistical figures concerning the collection of water supply and sewerage bills per category of billing and furthermore, on Management projections about the possible amount that will collect from claims that will settle in a future period.

## 12. OTHER CLAIMS

The balance of other claims increased in the current period by approximately € 48,9 m.(approximately € 90,5 m on 31/12/2012) mainly due to :

- The claim against Keratsini Municipality amounting € 5,6 m. deriving from the lawsuit concerning charges and usage rights for 2012.

- The Greek State will fully pay its debt concerning infrastructure, construction and maintenance of flood protection works and expenditure for water pumping from Yliki lake and Viliza. Consequently, an amount of € 113,5 m. is transferred from the “long-term receivables” figure (clause 45 of the Law 4179/20130
- The repayment by the Greek State of an amount of € 69,8 m. for the coverage of the deficit of the special lump sum compensation for employees hired before 25.10.1999 (Law 2939/06.08.2001) according to :
    - The decision issuance No 2/64497/0025/05.07.2013 of the General Directorate of Treasury and Budget under which dividends payable to the Greek State amounting € 11,4 m. approximately were offset with the State’s obligation to cover the deficit of the special lump sum compensation
    - The repayment from the Greek state of an amount of € 58,4 m. approximately on 25/09/2013.

## 13. OPERATING CURRENT LIABILITIES

The operating current liabilities decreased by € 13 m comparing with those of 31/12/2012. This change is due to:

*The increase in*

- Withholding taxes by approximately € 1,8 m.
- Other liabilities by approximately 0,4 m.

*The decrease in*

- The suppliers balance by approximately € 3,8 m.
- The dividends payable by approximately 11,4 m.

## 14. OTHER CURRENT LIABILITIES

The other current liabilities decreased by € 2,5 m mainly due to:

*The decrease in*

- the company's obligation towards employees' indemnities and benefits by approximately € 3,7m
- other current liabilities by approximately € 0,2 m.
- the provision of vacation leave by approximately €0,7m

*The increase in*

- the amount of unsettled payable checks by € 2,1 m.

## 15. INVESTMENTS IN ASSOCIATES

Investments in associates included the Participation of the Company at the "Suburbs Gas Company S.A." (E.A.P). On February 2003 the joint-venture of EYDAP S.A., ELLINIKI TECHNODOMIKI-TEV S.A. and AKTOR S.A. was chosen, by EAP Attikis, to promote the project of natural gas connections for households and small professional customers in the north part of Attica basin, as well as a part of the Athens Municipality.

For this reason the "Gas Company of the Suburbs S.A." was established and EYDAP participates with a share of 35%.

E.A.P. (Suburbs Gas Company S.A.) General Meeting on 4/5/2012 decided the dissolution of the company and its placement in liquidation since 1/6/2012. On 17/6/2013 E.A.P. S.A. final balance sheet of 18.06.2013 and its liquidation were approved.

On 30/9/2013 the loss from the participation in this investment was € 494 th. and € 5 th. for the Company and the Group respectively.

## 16. INVESTMENTS IN SUBSIDIARIES

In the field of operations development the company's management board decided (No 17241/13.05.2011) the foundation of a company under the name << ISLANDS WATER AND SEWERAGE COMPANY >>. The new company's distinctive name is << EYDAP NISON S.A.>>. EYDAP participates in the new company's share capital by 100%.

The new company was established on 18/7/2011 and its aim is its evolvement in the areas of water supply, sewerage and rain water treatment in the Greek Islands. The subsidiary has so far limited activity.

## 17. DEFERRED TAXATION

The deferred taxation, after the implementation of a 26% tax rate, was € 100 m. on 30/9/2013. The respective deferred tax receivable has changed to € 66,5 m. on 31/12/2012 (after the IAS 19 change and the tax rate of 20%).

On 30/9/2013 the Company formed a provision of € 59,9 m. regarding the special lump sum compensation for employees hired before 25/10/1999 which ended to a deferred tax receivable of € 15,6 m.

As a result, the change in the period's results on 30/9/2013 was € 33,7 m. including the tax rate change (26%) of € 19,9 m.

## 18. SHARE CAPITAL

The share capital of the Company on 30 September 2013 was equal to € 63,9m consisting of 106.500.000 ordinary shares of € 0,60 par value. There were no movements in the share capital of the Company in either the current or the prior interim reporting period.

According to the notification 27.1.2012, 29.074.500 shares of EYDAP SA, and equal number of voting rights, ie 27,30% of share capital of the Company passed by the Greek State to the "Private Property Development Fund of the State SA. " The transfer was the run off-exchange transaction pursuant to No. 195/2011 (Official Gazette 2501 B') Ministerial Decision of the Restructuring and Privatization Commission (DEAA).

In addition, according to the notification 11.5.2012, 36.245.240 shares of EYDAP SA, and equal number of voting rights, ie 34,033% of share capital, passed by the Greek State in the "Private Property Development Fund of the State SA." The transfer was then run off-exchange transaction pursuant to No. 206/2012 (Official Gazette 1363) Ministerial Decision of the Restructuring and Privatization Commission (DEAA).

As a result, the contribution of the Private Property Development Fund of the State SA to the share capital of the Company expanded from 27,30% to 61,33%. It must be noted that the Greek State has no participation in the share capital of EYDAP (0,00%).

The Greek government controlling 100% in "Private Property Development Fund of the State SA", indirectly controls the voting rights mentioned above.

## 19. SHORT TERM LIABILITIES

The account on the accompanying financial statements is analyzed as follows:

| *Amounts in Thousands of €* | | 30 September 2013 | | 31 December 2012 |
|---|---|---|---|---|
| | | | | |
| Bank Loans | | 62.620 | | 182.339 |
| Greek State Loans | | 3.142 | | 3.142 |
| **TOTAL** | | **65.762** | | **185.481** |

The total change of short-term borrowings is due to:

- The repayment of capital and interest by € 118 m.
- The decrease of interest expenses by € 1,7 m.

The interest expenses over the above mentioned loans (€ 6.645 th. on 30/09/2013 and € 9.804 th. on 30/09/2012 respectively) decreased due to the repayment of a significant capital.

After collecting its overdue claims against Municipalities and the Greek State on 08/10/2013, the Company has fully paid its loan obligations.

## 20. LIABILITIES FOR EMPLOYEES BENEFITS

With the enactment of clause 45, Law 4174/2013, the management of EYDAP has made an actuarial study in order to form an adequate provision for the personnel's special lump sum compensation. According to the actuarial study the Company has made a provision of € 59,9 m. on 30/09/2013. The coverage of the special lump sum deficit is the result of the collective agreements (02.07.1991, 25.05.1992, 21.06.1995, 05.06.2008). The account includes four programmes and is analyzed as follows:

| *Amounts in Thousands of €* | | 30.09.2013 | | 31.12.2012 |
|---|---|---|---|---|
| Employees' end-of-service indemnities | | 28.838 | | 28.757 |
| Employees healthcare scheme | | 227.624 | | 224.147 |
| Special Employees' lump sum compensation for employees hired after 25.10.1999 | | 6.196 | | 5.509 |
| Special Employees' lump sum compensation for employees hired before 25.10.1999 | | 59.926 | | 0 |
| **Total** | | **322.584** | | **258.413** |

The Company and the Group apply since 1/1/2013 the revised IAS 19, "Employee Benefits", with retroactive effect since 1/1/2012 in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and

Errors". Fundamental change deriving from the revised IAS 19, and therefore a change in accounting policy is the immediate recognition of actuarial profit and loss and past service cost arising from defined benefit plans and not passed through the basis of policy of "margin", based on the previous IAS 19.

Therefore on 1/1/2012 and because of the mandatory application of the revise IAS 19, the Group directly verifies all actuarial profit and loss in the period in which they arise.

## 21. CURRENT TAX LIABILITIES (GROUP & COMPANY)

Income tax movement shows up on the following table:

*Amounts in Thousands of €*

| | |
|---|---|
| Balance on 1-1-2013 | 8.714 |
| Income tax obligation for 2012 | 214 |
| Income tax assessed on the current tax profits | 22.367 |
| Income tax paid and payment in advance | (24.093) |
| Withholding taxes | (146) |
| **Total tax liabilities on 30 September 2013** | **7.056** |

It must be noted that:

The tax authorities have audited the Company, until the financial period ended as at 31 December 2007. The accompanying financial statements include a related provision for the additional taxes and fees that are probable to arise during the tax audit of the unaudited financial years 2008-2010, 2012 and nine months of 2013.

As a result of the Law 3943/2011 (Official Gazette A' 66/31.3.2011), the tax rate for Greek Entities, concerning financial periods beginning from 1/1/2011 and after, was 20%.

As a result of Law 4110/23.1.2013, the tax rate for Greek Entities, concerning financial periods beginning from 1/1/2013 and after, raised from 20% to 26%. The tax rate change affected the results of the third quarter of 2013 through the deferred taxation by 19.932 th. aproximately, also having a positive effect on "Deferred tax receivables" ending up to € 100.185 th. on 30/9/2013.

The Company has not been audited for the financial years 2008, 2009 and 2010. The financial use of 2011 has been audited by the company's legal auditor (clause 82, Law 2238/1994).

The accompanying financial statements include an adequate provision for the additional taxes and fees that are probable to arise at the finalization of the unaudited financial years and third quarter of 2013. EYDAP NISON S.A. has formed no provisions because of its limited transactions.

## 22. RETAINED EARNINGS

| *Amounts in Thousands of €* | **GROUP** | **COMPANY** |
|---|---|---|
| Balance at 01.01.2012 | 324.718 | 325.138 |
| Dividends payable | (18.105) | (18.105) |
| Profit after taxes for the period | 47.862 | 47.874 |
| **Balance on 30.09.2012** | **354.475** | **354.907** |
| | | |
| Balance at 01.01.2013 | 358.248 | 358.759 |
| Dividends payable | (15.975) | (15.975) |
| Dividends of ex-financial uses paid | (5.325) | (5.325) |
| Profit after taxes for the period | 75.287 | 74.815 |
| **Balance on 30.09.2013** | **412.235** | **412.274** |

## 23. PROVISIONS

The Provisions formed up to 30 September 2013 concern:

Lawsuits for civil law cases with claims of an amount of € 96,5 m have been raised against the Company These lawsuits are mainly related with damages caused by floods (either because of broken mains of from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual terms. There are also pending litigations with employees of around € 73,7 m.

Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of € 81,9 m. on 30 September 2013 and of € 68 m on 31 December 2012, which are considered sufficient. Pending litigations involve the Municipality of Marathonas lawsuit of € 5.402 m. against E.YD.A.P. The company has not formed any provision towards this claim because it judges that it is baseless.

## 24. COMMITMENTS AND CONTINGENT LIABILITIES –ASSETS

Contingent liabilities are not recorded in the financial statements but are disclosed unless a possibility of an outflow/inflow of resources embodying economic benefits exists.

**LIABILITIES**

The Company has issued letters of guarantee for securing its liabilities amounting € 586 th. on 30.09.2013.

**Insurance coverage:** The Company’s property, plant and equipment are dispersed in many locations, mainly at the Attica region, and therefore risk of a major loss is reduced. The Company does not carry a form of insurance coverage on all of its assets.

**Unaudited by tax authorities' financial years:** The Company has not been audited by the tax authorities for the financial years 2008, 2009 and 2010. According to clause 82 of Law 2238/1994, the statutory auditors, have audited the Company for the financial years 2011 and 2012.

The accompanying financial statements include a sufficient provision of € 5,6 m. for the additional taxes and fees that are probable to arise at the finalization of the non-audited financial years and the nine months period of 2013.

**Commitments from unexecuted contracts**: The company's commitments concerning with expansions, improvements, and conservation of networks and installations as also supply works of electrical and thermal co-production units were € 48 m. approximately on 30 September 2013 and € 72 m. on 31 December 2012.

## CLAIMS AGAINST THE GREEK STATE

***Investment program:***

**a)** The Company according to its establishment Law 2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8 years period 2000-2008. Against the aforementioned investment program of around €1,22 billion, that includes, also the maintenances, the Company has spent for capital expenditures until December 31 2008 an amount of approximately €432,49 millions, for which it has the right to receive a subsidy of around €259,49 m. (432,49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy.

It is clarified that under a decision taken by the special shareholders meeting of August 10 2004, the company's investment program amended, however without affecting the company's claim against the Greek State. The Company against the subsidy that has the right to receive has received until 30 September 2013 an amount of €14,7 millions.

It must be noted that after the company's prompt to the Greek State, which is anticipated in the supplement 4 of the aforementioned contract between the Company and the State, the company is eligible for a subsidy of approximately € 63,2 m.(105,3*60%) for all the capital expenditures accomplished during the years 01.01.2009 – 31.12.2010 which amount approximately € 105,3 m. The Company against the subsidy that has the right to receive has received until 30 June 2013 an amount of €14,7 millions. On the basis of the above the claim of the Company from the Greek State is raised to at least €293,3 m. (322,7-29,4). This amount has not been recorded in the accounts receivables with an equal credit of the long-term liabilities accounts, the carrying amount of which is gradually transferred in the profit/loss of the period in proportion to the depreciation rate of the subsidized water supply and sewerage network system.

If the aforementioned entries were carried out then the profit/loss account of the current period as well as this of the previous period would be improved by around €6,2 m (€3 m. concerning previous periods) approximately and the net equity would be improved on 30.06.2013 by around € 61,6 m.

**b)** In addition to these claims the Company has a claim for a subsidy relates to the maintenance expenditures according to the contract with the Greek State. From the total amount of expenditures concerning operation and maintenance of installations which is € 704,43 m. it is not feasible to extract the exact amount corresponding to maintenance thus the subsidy amount corresponding to maintenance expenses has not been finalized between the company and the State until the conduction date of these financial statements.

***Recorded Requirements:***

The Company's claims against the Greek State on 30.09.2013 are the following:

a) For maintenance and restoration expenditure the Company claims € 113,5 m. from Eydap Fixed Assets and the Ministry of Transport, Infrastructure and Networks.

These items are included in the "Other receivables" account of the statement of financial position.

**NON TAX LIABILITIES TOWARDS GREEK STATE**

Since 2004 the contract between the company and the Greek State, in relation with the supply of raw water to the company, is pending. The price of the raw water for the 5 years 2000-2004 is being offset with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to EYDAP Fixed Assets Public Entity. The Company is still charging the relevant cost of maintenance on the profit/loss statement.

**SETTLMENT WITH LAW 4179/08.08.2013 & LAW 4199/11.10.2013**

With the enactment of Law 4179/8.8.2013, clause 45, the Greek State's overdue debts towards EYDAP concerning Infrastructure Projects, Construction of Water Supply Public Entities, Construction and Maintenance of Flood Protection Works, etc. on 30.09.2013 will be determined and offset with the Company's non-tax-liabilities towards the Greek State by a Ministerial consensus decision of the Ministers of Transport, Infrastructure and Networks and Finance. This will require that EYDAP relinquishes all other claims and appeal.

According also to the clause 131 of the Law 4199/11-10-2013 "other from both sides claims between the Greek State and EYDAP S.A. coming from the 9.12.99 contract signed in acting of the clause 2, par.2 of the Law 2744/199 referring to the settlement of issues of EYDAP and other clauses (A222)" and until the adoption of the current, are written off.

Until the issuance of this report, no Ministerial consensus decision has been issued.

## 25. RESTATEMENT OF FUNDS

Because of the revised IAS 19 implementation regarding profit/loss, certain funds of the comparative periods, total revenues statement, statement of total income, statement of changes in equity, statement of financial position, and statement of cash flows were reclassified.

The Company and the Group apply since 1/1/2013 the revised IAS 19 with retroactive effect since 1/1/2012 under IAS 8. The changes that took place, affected positively the reported EAT for the nine months period of 2013 by €3.653 th. The equity was affected negatively by € 42.720 th. on 31/12/2011, € 39.059 th. on 30/09/2012 and € 37.837 th. on 31/12/2012 respectively.

## 25. . RESTATEMENT OF FUNDS (continued)

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| *Amounts in Thousands of €* | 30 September 2012 (published) | 30 September 2012 (restated) | 30 September 2012 (published) | 30 September 2012 (restated) |
| Revenue from services rendered | 268.623 | 268.623 | 268.623 | 268.623 |
| Cost of Services | (132.545) | (141.366) | (132.545) | (141.366) |
| | | | | |
| **Gross Profit** | **136.078** | **127.257** | **136.078** | **127.257** |
| Other Operating Income | 1.131 | 1.132 | 1.131 | 1.132 |
| General and administration expenses | (34.734) | (33.954) | (34.722) | (33.942) |
| Distribution and selling expenses | (33.228) | (20.619) | (33.228) | (20.619) |
| | | | | |
| **Profit from operating activities** | **69.247** | **73.816** | **69.259** | **73.828** |
| | | | | |
| Other operating expenses | (1.834) | (1.834) | (1.834) | (1.834) |
| Finance income net | 3.700 | 3.700 | 3.700 | 3.700 |
| Finance costs net | (12.479) | (12.479) | (12.479) | (12.479) |
| | | | | |
| **Profit from ordinary activities before income taxes** | **58.634** | **63.203** | **58.646** | **63.215** |
| | | | | |
| Income tax expense | (14.425) | (15.341) | (14.425) | (15.341) |
| | | | | |
| **Net profit for the year** | **44.209** | **47.862** | **44.221** | **47.874** |
| Shares outstanding | 106.500 | 106.500 | 106.500 | 106.500 |
| **Earnings per share (in €)** | **0,42** | **0,45** | **0,42** | **0,45** |

### STATEMENT OF TOTAL INCOME

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| *Amounts in Thousands of €* | 30 September 2012 (published) | 30 September 2012 (restated) | 30 September 2012 (published) | 30 September 2012 (restated) |
| **Profit after taxes** | **44.209** | **47.862** | **44.221** | **47.874** |
| Portfolio Valuation available for sale-other income included in subsequent periods results | 199 | 199 | 199 | 199 |
| Actuarial profit/loss change of defined benefits-other income not transferred in subsequent periods results | | 8 | | 8 |
| **Aggregate total income after taxes** | **44.408** | **48.069** | **44.420** | **48.081** |

## 25. RESTATEMENT OF FUNDS ( continued)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**GROUP**

*Amounts in thousands of €*

| 2012 | Share Capital | Share Premium | Legal Reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 (published) | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 367.437 | 852.097 |
| Profit for the year | | | | | | 44.209 | 44.209 |
| Net income registered directly to Net Equity | | | | | 199 | | 199 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at the end of 30 September 2012 (published)** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **393.541** | **878.400** |

| 2012 | Share Capital | Share Premium | Legal Reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 (restated) | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 324.718 | 809.378 |
| Profit for the year | | | | | | 47.862 | 47.862 |
| Net income registered directly to Net Equity | | | | | 199 | 8 | 207 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at 30 September 2012 (restated)** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **354.483** | **839.342** |

**COMPANY**

*Amounts in thousands of €*

| 2012 | Share Capital | Share Premium | Legal Reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 (published) | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 367.858 | 852.518 |
| Profit for the year | | | | | | 44.221 | 44.221 |
| Net income registered directly to Net Equity | | | | | 199 | | 199 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at the end of 30 September 2012 (published)** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **393.974** | **878.833** |

| 2012 | Share Capital | Share Premium | Legal Reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Equity Balance at 1/1/2012 (restated) | 63.900 | 40.502 | 21.547 | 358.283 | 428 | 325.138 | 809.798 |
| Profit for the year | | | | | | 47.874 | 47.874 |
| Net income registered directly to Net Equity | | | | | 199 | 8 | 207 |
| Dividends paid | | | | | | (18.105) | (18.105) |
| **Equity Balance at 30 September 2012 (restated)** | **63.900** | **40.502** | **21.547** | **358.283** | **627** | **354.915** | **839.774** |

## 25. RESTATEMENT OF FUNDS (continued)

### STATEMENT OF FINANCIAL POSITION

**GROUP**

| *Amounts in Thousands of €* | 31 December 2012 (published) | 31 December 2012 (restated) | 31 December 2011 (published) | 31 December 2011 (restated) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | 3.357 | 3.357 | 3.357 | 3.357 |
| Other intangible assets | 1.772 | 1.772 | 3.185 | 3.185 |
| **Property, plant and equipment, net** | 995.178 | 995.178 | 1.017.919 | 1.017.919 |
| Investment in associates | 53 | 53 | 130 | 129 |
| Available-for-sale Investments | 1.602 | 1.602 | 847 | 848 |
| Long-term receivables | 147.591 | 147.591 | 136.024 | 136.024 |
| Deferred tax assets | 56.994 | 66.453 | 53.303 | 63.983 |
| **Total non-current assets** | **1.206.547** | **1.216.006** | **1.214.765** | **1.225.445** |
| **Current assets** | | | | |
| Inventories | 17.616 | 17.616 | 16.288 | 16.288 |
| Trade receivables | 310.042 | 310.042 | 322.012 | 322.012 |
| Other receivables | 90.513 | 90.513 | 82.120 | 82.121 |
| Current tax receivables | 0 | 0 | 577 | 576 |
| Cash and cash equivalents | 43.106 | 43.106 | 21.975 | 21.975 |
| **Total Current assets** | **461.277** | **461.277** | **442.972** | **442.972** |
| **Total Assets** | **1.667.824** | **1.677.283** | **1.657.737** | **1.668.417** |
| | | | | |
| **Equity** | | | | |
| Share Capital | 63.900 | 63.900 | 63.900 | 63.900 |
| Share Premium | 40.502 | 40.502 | 40.502 | 40.502 |
| Reserves | 381.013 | 381.013 | 380.258 | 380.258 |
| Retained Earnings | 396.085 | 358.248 | 367.437 | 324.718 |
| **Total Equity** | **881.500** | **843.663** | **852.097** | **809.378** |
| **Non-current liabilities** | | | | |
| Reserve for employees benefits | 211.117 | 258.413 | 224.690 | 278.090 |
| Provisions | 68.002 | 68.002 | 59.418 | 59.418 |
| Investment subsidies and customer contribution | 211.379 | 211.379 | 213.737 | 213.737 |
| Consumers' guarantees | 17.927 | 17.927 | 17.777 | 17.777 |
| **Total non-current liabilities** | **508.425** | **555.721** | **515.622** | **569.022** |
| **Current Liabilities** | | | | |
| Operating Current Liabilities | 56.576 | 56.576 | 56.743 | 56.743 |
| Current tax liabilities | 8.714 | 8.714 | 0 | 0 |
| Short term loans and borrowings | 185.481 | 185.481 | 201.674 | 201.673 |
| Other current liabilities | 27.128 | 27.128 | 31.601 | 31.601 |
| **Total Current Liabilities** | **277.899** | **277.899** | **290.018** | **290.017** |
| **Liabilities and Shareholder's Equity** | **1.667.824** | **1.677.283** | **1.657.737** | **1.668.417** |

## 25. RESTATEMENT OF FUNDS (continued)

### STATEMENT OF FINANCIAL POSITION

**COMPANY**

| *Amounts in Thousands of €* | 31 December 2012 (published) | 31 December 2012 (restated) | 31 December 2011 (published) | 31 December 2011 (restated) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | 3.357 | 3.357 | 3.357 | 3.357 |
| Other Intangible assets | 1.772 | 1.772 | 3.185 | 3.185 |
| Property, plant and equipment, net | 995.178 | 995.178 | 1.017.919 | 1.017.919 |
| Investment in associates | 542 | 542 | 542 | 542 |
| Investment in subsidiaries | 60 | 60 | 60 | 60 |
| Available-for-sale Investments | 1.602 | 1.602 | 848 | 848 |
| Long-term receivables | 147.590 | 147.590 | 136.023 | 136.023 |
| Deferred tax assets | 56.991 | 66.450 | 53.302 | 63.981 |
| **Total non-current assets** | **1.207.092** | **1.216.551** | **1.215.235** | **1.225.915** |
| **Current assets** | | | | |
| Inventories | 17.616 | 17.616 | 16.288 | 16.288 |
| Trade receivables | 310.042 | 310.042 | 322.015 | 322.015 |
| Other receivables | 90.512 | 90.512 | 82.120 | 82.121 |
| Current tax receivables | 0 | 0 | 577 | 576 |
| Cash and cash equivalents | 43.072 | 43.072 | 21.920 | 21.920 |
| **Total Current assets** | **461.242** | **461.242** | **442.920** | **442.920** |
| **Total Assets** | **1.668.334** | **1.677.793** | **1.658.155** | **1.668.835** |
| | | | | |
| **Equity** | | | | |
| Share Capital | 63.900 | 63.900 | 63.900 | 63.900 |
| Share Premium | 40.502 | 40.502 | 40.502 | 40.502 |
| Reserves | 381.013 | 381.013 | 380.258 | 380.258 |
| Retained Earnings | 396.596 | 358.759 | 367.858 | 325.138 |
| **Total Equity** | **882.011** | **844.174** | **852.518** | **809.798** |
| **Non-current liabilities** | | | | |
| Reserve for employees benefits | 211.117 | 258.413 | 224.690 | 278.090 |
| Provisions | 68.002 | 68.002 | 59.418 | 59.419 |
| Deferred subsidies and customer contributions | 211.379 | 211.379 | 213.737 | 213.737 |
| Consumers' guarantees | 17.927 | 17.927 | 17.777 | 17.777 |
| **Total non-current liabilities** | **508.425** | **555.721** | **515.622** | **569.023** |
| **Current Liabilities** | | | | |
| Operating Current Liabilities | 56.576 | 56.576 | 56.740 | 56.740 |
| Current tax liabilities | 8.714 | 8.714 | 0 | 0 |
| Short term loans and borrowings | 185.481 | 185.481 | 201.674 | 201.673 |
| Other current liabilities | 27.127 | 27.127 | 31.601 | 31.601 |
| **Total Current Liabilities** | **277.898** | **277.898** | **290.015** | **290.014** |
| **Liabilities and Shareholder's Equity** | **1.668.334** | **1.677.793** | **1.658.155** | **1.668.835** |

## 25. RESTATEMENT OF FUNDS (continued)

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| *Amounts in Thousands of €* | 30 September 2012 (published) | 30 September 2012 (restated) | 30 September 2012 (published) | 30 September 2012 (restated) |
| **Cash Flows from operating activities** | | | | |
| Profit before tax | 58.634 | 63.203 | 58.646 | 63.215 |
| *Adjustments for:* | | | | |
| Depreciation and amortization | 29.244 | 29.244 | 29.244 | 29.244 |
| Amortization of customers’ contributions and subsidies | (5.389) | (5.389) | (5.389) | (5.389) |
| Revenues from securities | (50) | (50) | (50) | (50) |
| Loss from associated company dissolution | 0 | 0 | 0 | 0 |
| Employees’ end of service provisions | 5.221 | 645 | 5.221 | 645 |
| Provisions | 14.963 | 14.963 | 14.963 | 14.963 |
| Interest and related income | (3.650) | (3.650) | (3.650) | (3.650) |
| Interest and related expense | 12.479 | 12.479 | 12.479 | 12.479 |
| *Operating income before working capital changes / changes in operating assets and liabilities* | | | | |
| *(Decrease in) Increase in* | | | | |
| Trade and other receivables | (55.840) | (55.833) | (55.839) | (55.832) |
| Materials and spare parts | (1.059) | (1.059) | (1.059) | (1.059) |
| *Increase in (Decrease in)* | | | | |
| Trade and other payables | (16.507) | (16.507) | (16.501) | (16.501) |
| Consumers' guarantees | 118 | 118 | 118 | 118 |
| Reserve for employees benefits | 435 | 435 | 435 | 435 |
| *Minus:* | | | | |
| Interest and related expenses paid | (12.498) | (12.498) | (12.498) | (12.498) |
| Income Tax paid | (6.242) | (6.242) | (6.242) | (6.242) |
| **Net cash from operating activities (a)** | **19.859** | **19.859** | **19.878** | **19.878** |
| **Cash Flows from investing activities** | | | | |
| Purchases of property, plant, and equipment | (11.514) | (11.514) | (11.514) | (11.514) |
| Purchases of intangible assets | (500) | (500) | (500) | (500) |
| Proceeds from customers’ contributions and subsidies | 3.803 | 3.803 | 3.803 | 3.803 |
| Interest and related income received | 2.848 | 2.848 | 2.848 | 2.848 |
| Dividends received | 50 | 50 | 50 | 50 |
| **Net cash from investing activities (b)** | **(5.313)** | **(5.313)** | **(5.313)** | **(5.313)** |
| **Cash Flows from financing activities** | | | | |
| Repayments of borrowings | (9.872) | (9.872) | (9.872) | (9.872) |
| Dividends paid | (7.741) | (7.741) | (7.741) | (7.741) |
| Net cash from financing activities (c) | **(17.613)** | **(17.613)** | **(17.613)** | **(17.613)** |
| **Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)** | **(3.067)** | **(3.067)** | **(3.048)** | **(3.048)** |
| **Cash and cash equivalents, beginning of period** | **21.975** | **21.975** | **21.920** | **21.920** |
| **Cash and cash equivalents, end of period** | **18.908** | **18.908** | **18.872** | **18.872** |

## 25. RESTATEMENT OF FUNDS (continued)

### INCOME TAX (GROUP and COMPANY)

| *Amounts in Thousands of €* | **30 September 2012 (published)** | **30 September 2012 (restated)** |
|---|---|---|
| Income Tax | 15.727 | 15.727 |
| Unaudited fiscal years (by public revenue authorities) | (171) | (171) |
| Deferred Taxation | (1.131) | (215) |
| **Total** | **14.425** | **15.341** |

### LIABILITIES FOR EMPLOYEES BENEFITS

| *Amounts in Thousands of €* | **31/12/ 2012 (published)** | **31/12/2012 (restated)** | **31/12/ 2011 (published)** | **31/12/2011 (restated)** |
|---|---|---|---|---|
| Employee end-of-service indemnities | 17.285 | 28.757 | 18.516 | 26.155 |
| Employee healthcare scheme | 188.110 | 224.147 | 201.048 | 248.187 |
| Special lump sum compensation (L.2939/6.8.01 no 26) | 5.722 | 5.509 | 5.126 | 3.748 |
| **Total** | **211.117** | **258.413** | **224.690** | **278.090** |

## 26. EVENTS AFTER THE BALANCE SHEET DATE

**26.1 Greek State**

**a)** With the enactment of L. 4179/8.8.2013, clause 45 the Greek State's overdue debts towards EYDAP as far as 30.09.2013 concerning Infrastructure Projects, Construction of Water Supply Public Entities, Construction and Maintenance of Works for Flood Protection, etc., and non-tax liabilities of EYDAP towards the Greek State will be determined by Ministerial consensus decision of the Ministers of Transport, Infrastructure and Communications and Finance.

Any debts that may arise will be determined analytically by the Ministerial consensus decision and will be covered by the specific appropriation set aside in the State Budget for the settlement of outstanding obligations of operators of the General Government under the Economic Policy Programme.
These debts will be repaid with the sole justification of payment mentioned in paragraph 1 of this Article, where EYDAP relinquishes all other claims and appeal.

**b)** On 08.10.2013 the Company received from the Greek State an amount of € 146,8 m. (on behalf of Municipalities) and € 2,6 m. (on behalf of other public entities) according to No 38560/26.09.2013 Ministerial consensus decision (Official Gazette No 2410) of the Ministers of Finance and Internal Administration.

**26.2 Other Energy Works**

E.YD.A.P owns a production license, a decision of environmental terms
approval fand fixed price of 372,83 €/MWh for the construction of a photovoltaic park at the company's installations in Aharnes -Attica region- the power of which would be of 1,971 MW. The decision by the Company's Board of Directors concerning the implementation of the park is anticipated.
The Infrastructure Direction examines the possibility of the implementation of a small hydroelectric station in Helidonou, for which a production license already exists.

**26.3 Water Supply Networks taking over**

E.YD.A.P is under negotiations for the taking over and embodiment of water supply network parts, in the Municipality of Vari-Voula- Vouliagmeni, as well as St George region in the Municipality of Aspropyrgos .

**26.4 Operations development**

Towards its decision to accelerate the agreement process with the Attica region Municipalities, EYDAP Board of Directors approved a new plan for long-term management of water supply networks. The Company is under negotiations with the Attica region Municipalities.

Furthermore, the following operations are taking place: a) partial embodiment of small private water supply networks in the whole Attica region is being completed and b) The company has also submitted, in the Operational Program-Environment & Sustainable Development, a proposal of financing the project of the waste reuse (waste treated in Psitalia and Thriasio waste treatment plants) for industrial
and some agricultural purposes, for watering of urban green, reforestation and enrichment of the aquifer.

With the exception of the above, no event has occurred which significantly affects the financial structure or business course of the Company from 30/09/2013 to the date of approval of the financial statements by the Management Board.

## 27. RELATED PARTY TRANSACTIONS

### A) Transactions and amounts outstanding with the Members of the Board

| *Amounts in Thousands of €* | **30th September 2013** | **30th September2012** |
|---|---|---|
| – Salaries (Chairman & CEO and Executive Consultants) | 43 | 95 |
| – Salaries & participation fees of the Members of the Board of Directors | 60 | 55 |
| **Total** | **103** | **150** |

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

| *Amounts in Thousands of €* | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **30.09.2013** | **30.09.2012** | **30.09.2013** | **30.09.2012** |
| **1) Transactions** | | | | |
| 2. Revenues | 49.851 | 52.126 | 49.851 | 52.126 |
| 3. Cost of sales (construction contracts) | (1.368) | (1.137) | (1.368) | (1.137) |
| 4. Provisions | (20.992) | (10.008) | (20.992) | (10.008) |
| **2) Outstanding amounts** | **30.09.2013** | **31.12.2012** | **30.09.2013** | **31.12.2012** |
| • Long term receivables (construction contracts) | 113.514 | 112.063 | 113.514 | 112.063 |
| • Long term receivables (Arrangements of Municipalities) | 0 | 30.955 | 0 | 30.955 |
| • Trade receivables (Greek State) | 30.789 | 165.149 | 30.789 | 165.149 |
| • Other receivables (lump sum compensation coverage by the Greek State) | 0 | 68.844 | 0 | 68.844 |
| • Dividend Liability | 0 | 11.388 | 0 | 11.388 |
| | **144.303** | **388.399** | **144.303** | **388.399** |

The transactions with the Greek State concern priced and accrued water supply revenues as well as accrued revenues coming from the construction cost of works towards the Ministry of Environment, Planning and Public Works and the Public Entity << EYDAP Fixed Assets Company>>.

## 28. PUBLIC ENTITY EYDAP FIXED ASSETS (PE)

The Public Entity (PE) was established at the time of the IPO with the purpose of the ownership's transfer of the water dams and basins of Marathon, Mornos, Yliki and Evinos from EYDAP to PE. Besides the constructions and upgrades of the installations that are related with these water dams and basins, the Greek State – through the Public Entity - has undertaken the obligation to supply the Company with raw water to meet its water supply obligations. The price of the raw water until 2004 was being offset with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to the Public Entity. There is no new similar agreement thereafter. The Company is attending the cost of maintenance that burdens the total revenues.

The total landed property of the State entity "Eydap Fixed Assets Company" has not been transcribed from Eydap S.A until the issuance of the current Auditors Report. The non-depreciated value of the respective property is approximately € 657 m.

# ATHENS WATER AND SEWERAGE COMPANY S.A. (E.Y.D.A.P)

**Company's RegReg. No. G.E.MH. 121578960000**
**Oropou 156 -11146 Galatsi**
**FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 01st January 2013 to 30 September 2013**
**(according to the Rule 4/507/28.04.2009 of the Capital Market Commission)**

The figures illustrated below provide summary information about the financial position of the Group and E.Y.D.A.P. S.A. (the Company). We advise the reader before taking any investment decision or other transaction concerning the company, to visit the Company's web site where the financial statements are presented.

## COMPANY'S STATUTORY INFORMATION

| | |
|---|---|
| **Company's web Site** | www.eydap.gr |
| **Date of Approval of Financial Statements:** | November 27, 2013 |

## STATEMENT OF FINANCIAL POSITION

| Amounts in thousands of Euro | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2013** | **31.12.2012** | **30.09.2013** | **31.12.2012** |
| **ASSETS** | | | | |
| Tangible assets | 977.323 | 995.178 | 977.323 | 995.178 |
| Intangible assets | 1.048 | 1.772 | 1.048 | 1.772 |
| Other non current assets | 108.519 | 219.056 | 108.578 | 219.602 |
| Inventories | 15.956 | 17.616 | 15.956 | 17.616 |
| Trade receivables | 355.359 | 310.042 | 355.359 | 310.041 |
| Other current assets | 209.517 | 133.619 | 209.480 | 133.584 |
| **TOTAL ASSETS** | **1.667.722** | **1.677.283** | **1.667.744** | **1.677.793** |
| **TOTAL EQUITY AND LIABILITIES** | | | | |
| Share capital | 63.900 | 63.900 | 63.900 | 63.900 |
| Other items of Shareholders' Equity | 833.790 | 779.763 | 833.829 | 780.274 |
| Total Shareholders' Equity © | **897.690** | **843.663** | **897.729** | **844.174** |
| Reserves for employee benefits | 322.584 | 258.413 | 322.584 | 258.413 |
| Deferred subsidies and customer contributions | 206.541 | 211.379 | 206.541 | 211.379 |
| Provisions and other long-term liabilities | 99.878 | 85.929 | 99.878 | 85.929 |
| Short- term borrowings | 65.762 | 185.481 | 65.762 | 185.481 |
| Other Short- term borrowings | 75.267 | 92.418 | 75.250 | 92.417 |
| Total liabilities (d) | **770.032** | **833.620** | **770.015** | **833.619** |
| **TOTAL EQUITY AND LIABILITIES ( c)+ ( d )** | **1.667.722** | **1.677.283** | **1.667.744** | **1.677.793** |

## STATEMENT OF COMPREHENSIVE INCOME

| Amounts in thousands of Euro | GROUP | | | |
|---|---|---|---|---|
| | **1.01-30.09.2013** | **1.01-30.09.2012** | **1.07-30.09.2013** | **1.07-30.09.2012** |
| Turnover | 264.069 | 268.623 | 103.114 | 106.548 |
| Gross profit | 132.146 | 127.257 | 68.924 | 63.109 |
| Earnings before tax, financial, and investment results | 59.563 | 71.982 | 36.448 | 44.891 |
| Profit before tax | **64.523** | **63.203** | **42.481** | **41.910** |
| Profit after tax (A) | 75.287 | 47.862 | 41.418 | 33.244 |
| Other comprehensive income, net of tax (B) | 40 | 207 | 119 | 133 |
| Total Comprehensive income for the period (A+B) | **75.327** | **48.069** | **41.537** | **33.377** |
| Attributable to | | | | |
| Shareholders | 75.327 | 48.069 | 41.537 | 33.377 |
| Diluted earnings per issued share (in euro) | 0,71 | 0,45 | 0,39 | 0,31 |
| Earnings before tax, financial, investment results and depreciation and amortization | 83.363 | 95.837 | 43.821 | 52.714 |

## STATEMENT OF COMPREHENSIVE INCOME

| Amounts in thousands of Euro | COMPANY | | | |
|---|---|---|---|---|
| | **1.01-30.09.2013** | **1.01-30.09.2012** | **1.07-30.09.2013** | **1.07-30.09.2012** |
| Turnover | 264.069 | 268.623 | 103.114 | 106.548 |
| Gross profit | 132.146 | 127.257 | 68.924 | 63.109 |
| Earnings before tax, financial, and investment results | 59.088 | 71.994 | 36.453 | 44.894 |
| Profit before tax | **64.052** | **63.215** | **42.490** | **41.915** |
| Profit after tax (A) | 74.815 | 47.874 | 41.427 | 33.249 |
| Other comprehensive income, net of tax (B) | 40 | 207 | 119 | 133 |
| Total Comprehensive income for the period (A+B) | **74.855** | **48.081** | **41.546** | **33.382** |
| Attributable to | | | | |
| Shareholders | 74.855 | 48.081 | 41.546 | 33.382 |
| Diluted earnings per issued share (in euro) | 0,70 | 0,45 | 0,39 | 0,31 |
| Proposed dividend per share | | | | |
| Earnings before tax, financial, investment results and depreciation and amortization | 82.888 | 95.849 | 43.826 | 52.717 |

## STATEMENT OF CHANGES IN EQUITY

| Amounts in thousands of Euro | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2013** | **30.09.2012** | **30.09.2013** | **30.09.2012** |
| Equity opening balance (01.01.2013 and 01.01.2012 respectively) | 843.663 | 809.378 | 844.174 | 809.798 |
| Profit of the year, after tax | 75.287 | 47.862 | 74.815 | 47.874 |
| Net profit registered directly to Net Equity | 40 | 207 | 40 | 207 |
| Comprehensive income after taxes | 75.327 | 48.069 | 74.855 | 48.081 |
| Distributed Dividends | (21.300) | (18.105) | (21.300) | (18.105) |
| Equity closing balance(30.09.2013 and 30.09.2012 respectively) | **897.690** | **839.342** | **897.729** | **839.774** |

## STATEMENT OF CASH FLOWS

| Amounts in thousands of Euro | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.09.2013** | **30.09.2012** | **30.09.2013** | **30.09.2012** |
| **Cash Flows from operating activities** | | | | |
| Profit before taxes | 64.523 | 63.203 | 64.052 | 63.215 |
| Adjustments for: | | | | |
| Depreciation and amortization | 30.166 | 29.244 | 30.166 | 29.244 |
| Amortization of customers' contributions and subsidies | (6.366) | (5.389) | (6.366) | (5.389) |
| Income investments | (43) | (50) | (43) | (50) |
| Loss from of associated company write-off | 5 | 0 | 494 | 0 |
| Provisions for employees' end of service indemnities | 63.490 | 645 | 63.490 | 645 |
| Other Provisions | (38.470) | 14.963 | (38.470) | 14.963 |
| Interest and related income | (13.099) | (3.650) | (13.099) | (3.650) |
| Interest and related expenses | 8.182 | 12.479 | 8.178 | 12.479 |
| Operating income before working capital changes | | | | |
| / changes in operating assets and liabilities | | | | |
| (Decrease in) Increase in | | | | |
| Trade receivables | 99.981 | (55.833) | 99.986 | (55.832) |
| Inventories | 1.685 | (1.059) | 1.685 | (1.059) |
| Increase in (Decrease in) | | | | |
| Operating Current Liabilities | (6.701) | (16.507) | (6.720) | (16.501) |
| Consumers' guarantees | 87 | 118 | 87 | 118 |
| Reserve for employees' benefits | 681 | 435 | 681 | 435 |
| Minus: | | | | |
| Interest and related expenses paid | (9.315) | (12.498) | (9.315) | (12.498) |
| Income Tax paid | (24.255) | (6.242) | (24.255) | (6.242) |
| **Net cash from operating activities (a)** | **170.551** | **19.859** | **170.551** | **19.878** |
| **Cash Flows from investing activities** | | | | |
| Purchases of tangible assets | (11.237) | (11.514) | (11.237) | (11.514) |
| Purchases of intangible assets | (350) | (500) | (350) | (500) |
| Proceeds from customers' contributions and subsidies | 1.528 | 3.803 | 1.528 | 3.803 |
| Interest and related income received | 4.035 | 2.848 | 4.035 | 2.848 |
| Dividends received | 43 | 50 | 43 | 50 |
| Revenue from associated company write-off | 48 | 0 | 48 | 0 |
| **Net cash from investing activities (b)** | **(5.933)** | **(5.313)** | **(5.933)** | **(5.313)** |
| **Cash Flows from financing activities** | | | | |
| Repayments of borrowings | (117.993) | (9.872) | (117.993) | (9.872) |
| Dividends paid | (19.518) | (7.741) | (19.518) | (7.741) |
| **Net cash from investing activities (c)** | **(137.511)** | **(17.613)** | **(137.511)** | **(17.613)** |
| **Net (decrease) increase in cash and cash equivalents** | | | | |
| (a) + (b) + (c) | **27.107** | **(3.067)** | **27.107** | **(3.048)** |
| **Cash and cash equivalents, beginning of period** | **43.106** | **21.975** | **43.072** | **21.920** |
| **Cash and cash equivalents, end of period** | **70.212** | **18.908** | **70.179** | **18.872** |

## ADDITIONAL DATA AND INFORMATION

1. The number of employees as at 30 September 2013 was 2.423 while the respective number of employees as at 30 September 2012 was 2.580.
2.Unaudited (by Public Revenue Services) tax uses for both the Group and the Company are analitically shown in the note 21 of the condensed nine months financial statements.
3.The Provisions formed up to 30 September 2013 concern: a) Lawsuits for civil law cases with claims of an amount of Euro 96.5 m. have been raised against the Company.These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual terms b)There are also pending litigations with employees of around Euro 73,7 m. Against all these potential losses, if the pending litigation (a and b) will be finalized, EYDAP has formed a provision of Euro 81,9 m. as at 30 September 2013 and of Euro 68 m. as at 31 December 2012, which are considered as sufficient c) Provisions of Euro 5,6 m. for unaudited (by Public Revenue Services) periods as at 30 September 2013 and of Euro 4,9 m. as at 31 December 2012 and d) Other provisions for bad debts and depreciated inventory of Euro 32,5 m.as at 30 September 2013 and of Euro 87,9m. as at 31 December 2012.
4 With the enactment of L. 4179/8.8.2013 clause 45, the following took place: ai) The overdue debts of the Greek State towards the Company, as analyticaly shown in note 24 of the condensed nine months financial statements, will be determined and offset with the Compan's non tax liabilities towards the Greek State. A Ministerial consensus decision is being anticipated. Until the date of the approval of the condensed nine months financial statements no such decision has been issued. aii) Law 2939/2001, art 26, was referred to the Greek State's obligation to cover the deficit of the special lump sum compensation for employees hired until 25/10/1999. Since its abolishment, the management of EYDAP has made an actuarial study in order to form an adequate provision for the personnel's lump sum compensation amounting up to € 59,9 m. on 30/09/2013. b) The Company on 08/10/2013 received an amount of € 146,8 m. from the Greek State on behalf of Municipalities as well as an amount of € 2,6 m. on behalf of other public entities according to the Ministerial consensus decision No 38560/26.09.2013 (Official Gazette 2410) by the Ministers of Finance and Interior Adimstration. c) Note 28 of the condensed financial statements elaborates that the total landed property of the State entity "Eydap fixed Assets Company" has not been transcribed from Eydap S.A until the issuance of the date of the approval of the condensed nine months financial statements by the Management Board. The undepreciated value of the respective property is approximately € 657 m.
5. Cumulative amounts from the beginning of the current period concerning puchases and sales together with both the Group's and the Company's claims and liabilities at the end of the current period that have been resulted from their transactions with related parties in the sense of the IAS 24 are as follows (amounts in thousands of Euro):

| | GROUP-COMPANY | |
|---|---|---|
| | 2013 | 2012 |
| i)Revenues | 49.851 | 52.126 |
| ii)Claims | 144.303 | 377.011 |
| iii)Dividend Liability | 0 | 11.388 |
| iv)Transactions and Payrolls of Directors and Members of the Administration | 103 | 150 |

6. Total Comprehensive income of Euro 40th. as at 30 September 2013, concerns non current assets appropriate for sale (portfolio valuation).
7. Until the approval date of the condensed nine months financial statements, events that could substantially affect the Group's and the Company's assets structure or their activities process at 30/09/2013, with the exception of those mentioned in additional data no 4, have not occurred.
8.Consolidated financial statements include EYDAP as well as the subsidiary EYDAP NISON S.A which resides in Piraeus (Eydap participates up to100%) which was unified with the accounting method under the name "total unification". As a result, no minority rights are taken into consideration. In comparison with the respective period, no associated company unified using the net equity method is included because of its dissolution.
9. The Company and the Group have been applying since 1/1/2013 the modified IAS 19 with retrospective application from 1/1/2012 by accordance with IAS 8. Detailed reference is made in the note 25 of the condensed financial statements. These changes have : a)positively affected the reported profit or loss and other comprehensive income statement as well as the total income statement for the third quarter of 2012 by Euro 3.653 th. and Euro 3.661 th. respectively and b) they have negatively affected the net equity by Euro 42.720 th. on 31/12/2011, Euro 39.059 th. on 30/09/2012 and Euro 37.837 th. on 31/12/2012.

**Athens, November 27th 2013**

| THE CHAIRMAN OF THE MANAGEMENT BOARD AND CHIEF EXECUTIVE OFFICER | THE MEMBER OF THE MANAGEMENT BOARD | THE DIRECTOR OF THE ECONOMIC DEPARTMENT | THE CHIEF ACCOUNTANT SUPERVISOR |
|---|---|---|---|
| **VARTHOLOMEOS ANTONIOS** | **HONDROGIANNOS IOANNIS** | **SPYROPOULOU ELENI** | **SKYLAKI LEMONIA** |
| I.D. No AK 543580 | I.D. No AI 094411 | I.D. No AI 060168 | I.D. No Ξ 971227 |