GROUP OF COMPANIES
HELLENIC RAILWAYS ORGANIZATION

Interim Financial Statements
of the Company and the Group
for the six-month period ended as at
June 30th, 2017

In compliance with International Financial Reporting Standards
as adopted by the European Union
In compliance with Article 5, Law 3556/2007

(amounts in € thousand unless otherwise mentioned)

Athens, September 29, 2017

GROUP OF COMPANIES HELLENIC RAILWAYS ORGANIZATION
Karolou 1-3 – PC 10437 Athens
Societe Anonyme Reg. Num.: 1967/98/B/86/02/23.08.1991
G.E.M.I. Reg. Num. : 000779701000

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A. Representations of the Board of Directors

(under Article 5, par. 2, Law 3556/2007)

The below statements are made by the following Members of the Board of Directors of the Company in compliance with Article 5, par. 2, Law 3556/2007 as currently effective:

1. GEORGIOS APOSTOLOPOULOS, CHAIRMAN OF THE BOARD OF DIRECTORS
2. KONSTANTINOS PETRAKIS, CHIEF EXECUTIVE OFFICER, and
3. DIMITRIOS KIOUSIS, EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS

The following Members who sign the financial statements, under our capacities as Members of the Board of Directors, specifically appointed for this purpose by the Board of Directors of OSE S.A. declare and certify to the best of our knowledge that:

(a) The attached six-month separate and consolidated financial statements of the company "OSE S.A." for the annual period 1/1/2017 - 30/06/2017, prepared according to the applicable accounting standards, present truly and fairly the assets and liabilities, the equity as at 30/06/2017 and the financial results of the Company for the first six-month period of 2017 as well as of the companies included in the consolidation in aggregate, in compliance with the provisions of paragraphs 3 and 5, article 5, Law 3556/2007 and the authorized decisions of the BoD of the Hellenic Capital Market Commission, and

(b) The attached six-month Board of Directors report presents in a true and fair way the information required according to par. 6 of article 5 of L. 3556/2007 and the authorizing decisions of the BoD of the Hellenic Capital Market Commission.

Athens, September 29, 2017

The designees

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS
GEORGIOS APOSTOLOPOULOS	KONSTANTINOS PETRAKIS	DIMITRIOS KIOUSIS

B. Report of the Board of Directors

Six-Month Report of the Board of Directors
of the Company "OSE S.A."

ON SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1/1/2017 TO 30/6/2017

Dear Shareholders,

In compliance with the relevant provisions of Law 3556/2007 (Article 5, paragraph 6) as well as the publicized resolution of the BoD of the Hellenic Capital Market Commission (Decision 1/434/2007, Article 3 and Decision 8/754/14.04.2016), we hereby are submitting for the corporate closing period from 1/1/2017 to 30/06/2017, the six-month Board of Directors Report, prepared in line with the relevant provisions of Law 3556/2007 and the following decisions of the Hellenic Capital Market Commission.

The current report briefly describes the financial information regarding the Group and the Company for the reporting period, the most significant events that took place within the aforementioned period as well as their effect on the six-month financial statements. Moreover, it provides a description of the main risks and uncertainties the Group and the Company might be facing within the second six-month period of 2017 as well as the most significant transactions that took place between the issuer and its related parties.

(A) FINANCIAL DEVELOPMENTS AND PERFORMANCE DURING 2017

1. Basic Operations of OSE in 2017

Under Law 3891/2010 "Restructure, rationalization and development of OSE Group and TRAINOSE and other provisions for the rail sector, Government Gazette 188 A'/04-11-2010", Law 2671/1998(A' 289) and Law N.4408/2016 (A'135) as currently effective, consolidated OSE key responsibilities pertain to management of the National Railway Infrastructure, i.e. management, exploitation and development of new infrastructure, maintenance and operation of existing infrastructure and management of railway regulation and traffic security systems.

The Organization structure regarding the year 2017 is as follows:

- **Railroad Systems Department** (the unit in charge of design, supervision and handling line infrastructure issues, bridges and metal constructions, underground and geotechnical works and other effective facilities, preparation of regulations and standards, technology transfer and monitoring of technological developments in superstructure, infrastructure and traffic issues and qualitative monitoring – review of railway lines, machinery register quality control of infrastructure materials conducting laboratory tests of railroad materials).
- **Railroad Line Maintenance Department** (the unit in charge of organizing and monitoring maintenance and renovation of line infrastructure, building, technical structures, bridges and other facilities of the whole network and the direct labor and mechanical equipment execution of works).
- **Electrical Systems Maintenance & Electrification Department** (the unit in charge of organizing and controlling maintenance of electromechanical systems and electrification and signaling project-related direct labor and mechanical equipment).
- **Traffic Department** (the unit in charge of research and design of issues related to organization of transportation, secure traffic of transportation means, apart from cars, effective use of facilities and transportation means and personnel within its competence).
- **Strategic Planning and Development Department** (the unit responsible for issues of strategic planning, network development, investments and project financing, subsidiary monitoring, real estate property monitoring, statistics, quality and international cases management).
- **Professional Training Department** (the unit responsible for design, planning, implementation, monitoring of training courses).
- **Financial Services Department** (the unit in charge of handling the issues that pertain to planning, organization, control and monitoring of the company finances)
- **Human Resources Organization and Management Department** (the unit in charge of the company human resources issues and organization).

- **IT Department** (the unit in charge of development, support and operation of the Information Systems and applications, Computer Systems and Equipment).
- **Logistics Department** (the unit in charge of supervising and facilitating the supply of all the necessary materials and their management).
- **Legal Services Department** (the unit in charge of legal support in OSE issues and organization of legal services and protection).
- **Internal Control Department** (the unit in charge of management control and other company bodies control as well as conducting research and investigation in relative issues).
- **Northern Greece Railroad Support Department** (the unit in charge of data collection, conduct of research sand submission of proposals on administrative - economic and infrastructure issues for the region of Northern Greece and of the company representation in this region).
- **Healthcare and Work Safety Service** (the unit responsible for developing Regulations and Manuals in respect of Health and Safety at Work and implementation of the institution and services of Safety Technicians and Occupational Physicians).
- **Security Management Department** (the unit responsible for establishing the Safety System management and monitoring its implementation, as well as for obtaining Safety Approval from the Safety Authority).
- **Emergency Policy Planning Service** (the unit that covers the needs of the Company in exceptional circumstances, having the responsibility to alert the authorities, the police, and the inner Mechanism of the Company).
- **Media and Public Relations Service** (the unit that renders services of promoting the Company operation and expresses its standpoint in the Media).

Following as at 1 March 2012 decision of the Minister of Transportation and Networks, Num. F8/30400/3540 Government Gazette 698 / B /9-3-2012, there were established new Internal Regulations of OSE Operation, which include the administrative structure of the organizational units of OSE and their responsibilities as well as Labor Regulations. According to the aforementioned, the Organization structure is changed – the diagram is presented in Non-financial reporting unit.

2. Summary of Corporate and Consolidated Results

The year 2017 generated the results presented on the following pages on separate and consolidated basis.
As in previous years there continued significant progress regarding economic restructuring of the Group, both through particular efforts at reduction and rationalizing the expenses and by increasing revenue.
Consolidated income for the year increased as compared to the previous year by €1,6 million or 4,8% while the government grant remained stable. Conversely, the reversal of the main source of revenue trend of infrastructure charges is already visible. More improvement is expected in the next period, following launching the major modernization projects completed by ERGOSE.
EBITDA for the six-month period ended as at June 30th has been recorded negative.

The results have remained negative for the fourth consecutive year EBITDA for the last eight-year period from continuing and discontinued operations are analytically presented below in thousand euro:

OSE Comparative Results	2010	2011	2012	2013	2014	2015	2016 6-m	2017 6-m
Income								
Rolling stock maintenance	49.488	23.202	24.800	0	0	0	0	0
Rolling stock leasing	44.248	23.000	18.890	18.254	13.375	0	0	0
Structure Charges	30.405	20.056	19.680	20.322	23.171	20.989	8.719	9.129
Other Income	82.422	62.527	14.425	35.151	30.547	10.730	1.727	2.910
Government Grants	104	106.594	98.583	86.910	53.040	45.000	22.500	22.500
Total Income	**206.668**	**235.379**	**176.378**	**160.637**	**120.133**	**76.719**	**32.945**	**34.539**
Expenses								
Payroll Cost	205.547	126.209	97.330	53.114	50.490	46.215	21.964	21.375
Cost of Inventory (Consumables)	53.694	42.386	10.316	1.131	2.619	2.651	844	3.027
Other Expenses/Third Parties Fees	44.680	33.236	34.244	35.617	31.330	14.656	8.000	7.728
Cost of Self-production	(59.846)	(27.988)	(19.370)	(8.814)	(6.118)	(4.896)	(2.300)	(2.000)
Other Operating Expenses	83.949	36.385	24.055	26.977	55.289	84.004	5.025	11.740
Total Expenses	**328.024**	**210.229**	**146.576**	**108.026**	**133.609**	**142.630**	**33.533**	**41.871**
(EBITDA)	**(121.356)**	**25.150**	**29.802**	**52.612**	**(13.476)**	**(65.911)**	**(587)**	**(7.332)**

OSE Comparative Results Table (Group)	2010	2011	2012	2013	2014	2015	2016 6-m	2017 6-m
Income								
Rolling stock maintenance	49.488	23.202	24.800	0	0	0	0	0
Rolling stock leasing	44.248	23.000	18.890	18.254	13.375	0	0	0
Structure Charges	29.286	20.056	19.680	20.322	23.171	20.989	8.719	9.129
Other Income	88.365	67.524	18.397	37.273	33.592	10.747	1.840	4.037
Government Grants	104	106.594	98.678	86.910	53.040	45.000	22.500	22.500
Total Income	**211.491**	**240.377**	**180.445**	**162.759**	**123.177**	**76.736**	**33.058**	**35.666**

Expenses								
Payroll Cost	211.582	137.320	104.603	59.189	56.363	52.061	24.826	24.396
Cost of Inventory (Consumables)	53.694	42.386	10.316	1.131	2.619	2.651	844	3.027
Other Expenses/Third Parties Fees	46.350	37.557	37.611	37.461	33.814	15.334	8.277	7.998
Cost of Self-production	(60.209)	(27.988)	(19.370)	(8.814)	(6.118)	(4.896)	(2.300)	(2.000)
Other Operating Expenses	87.405	38.016	26.739	28.677	57.055	84.994	5.784	13.408
Total Expenses	**338.820**	**227.292**	**159.900**	**117.644**	**143.734**	**150.144**	**37.431**	**46.830**
(EBITDA)	**(127.330)**	**13.085**	**20.545**	**45.115**	**(20.556)**	**(73.407)**	**(4.373)**	**(11.163)**

As far as the expenses are concerned, the major payroll costs decreased by 2,7% for the Company and 1,7% for the Group, lower than the projected levels mainly due to the curtailment of withdrawals from the change in pension legislation. The remaining costs have been limited to the expenses that are strictly necessary for the safe operation of the railway infrastructure. Concumables have increased as the company made an attempt to recover the level of the railroad structure through the use of the available materials.

Negative EBITDA for the fourth consecutive year, which is also linked to the state's difficulty in responding fully to the institutional framework, is a concern for the Agency's liquidity and the maintenance of the Rail Infrastructure Maintenance and Restructuring Program.

***Turnover:*:** The Company and Group turnover increased as compared to the previous year by 2,7% and 12,9% respectively.

Gross results: The gross result, despite the slight increase in revenues, mainly due to the increase in expenditures, decreased by € 1.7 million or 1.5% for the Company and the Group by € 1.6 million or 1.4%.

Operating results: The deletion of OSE's claims against TRAINOSE resulted in a vertical decrease of the company's operating results by 794%, which also comprised the Group at 761% or € 699 million both. A full reversal of the image is expected when the corresponding decision for deletion of the claims of the State against OSE, which is expected as the relevant EU decision is taken On government aids.

EBITDA: EBITDA at the Group level for the year 2017 stood at €-11.1 million versus €-4,4 million the last year (at the Company level, EBITDA stood at €-7.3 million versus €-0.6 million last year). In the current year, EBITDA margin for the Group decreased and stood at -122% versus -50% last year. At the Company level, the margin for the current year stood at -80% versus -6.7% last year, mainly, due to the settlement of previous years' expenses.

Administrative expenses: At the Company level, administrative expenses increased by €0.2 million or by 3.2%, while at the Group level by €0.3 million or 4%.

Other Operating Expenses: In other operating expenses which included in EBITDA calculation, have been counted past liabilities mainly for ROSCO, which were settled. Therefore, they are increased by 126.6% for the Group and 127.7% for the Company. The corresponding financial increases stood at € 6,4 million and € 7.3 million respectively.

Earnings after tax: The loss for the closing year for the Group stood at €861.4 million increased by 996.3% versus the previous year (for the Company, loss for the closing year stood at €857.3 million, increased by 1.058% versus the last year. This development is due to the legal deletion of TRAINOSE claims against OSE.

ERGOSE respectively had profits after taxes of € 0.9 million, decreased by 9.3% compared to the previous year, mainly due to increased administrative expenses and reduced financial revenues.

(B) MAIN RISKS AND UNCERTAINTIES

Risk Management Policy

Long-term loans constitute the main financial instruments of the Group. The main purpose of these financial instruments is to provide funding for the operations of the Group. The Group also holds various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. The Board of Directors examines and approves principles for managing each of these risks, which are summarized below as follows:

Risks associate with Business Operations

The Group's operations generate risks that may result from adverse events, such as, above others, accidents, injuries and damage to persons (employees and / or suppliers), environmental damage, damage to equipment and third party property. All these are likely to cause delay or in the worst case, interruption of work on ongoing projects. Of course there are taken all the necessary precautions to avoid such adverse events, but also appropriate insurance policies are issued. We cannot out rule the possibility that the amount of the obligations of the Group companies from such adverse events exceeds the insurance payments received, resulting in some of the obligations required to be covered by the Group companies.

Interest rate risk and foreign exchange risk

The Group loan liabilities concern bank loans and bonds in Euro. The Group is not exposed to the risk of interest rate fluctuations as all bank borrowing is contracted at a fixed rate. The group operates in Greece and, therefore, is not exposed to foreign exchange risks related to its operations.

Credit risk

Following the independence of TRAINOSE, receivables from customers have obtained "monopsony" character, since the former subsidiary, is virtually the sole purchaser of goods and services of the Group. Till 2010, all sales to the TRAINOSE were made on credit and the total receivables as at 31/12/2016 stand at € 758,7 million. In compliancw with the Joint Ministerial Decision 45496/2336 published on 12.9.2017 in Government Gazette B3182, claims from TRAINOSE amounting to € 692 million were applied in accordance with Law 3891/2010. The Agency made provision for impairment and the amount of the total receivable on 30/6/2017 amounts to € 75 million. The claims of the STASY SA amount to € 16.7 million. Other trade receivables of the Group from the private sector clients amount to € 1.205 k versus € 1.192 k last year.

Liquidity risk

Liquidity risk is always maintained at low levels through the availability of sufficient cash to cover the operational; needs of the Group as well as the Greek Government guarantees for covering the financial needs and loans issued till 2010.

The following table presents the analysis of the Group liquidity risk as at 30.6.2017:

	THE GROUP				
Amounts in € '000	**Until 1 year**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**TOTAL**
Borrowing	878.700	0	775.000	800.490	2.454.190
Other Liabilities	8.633.057	2.490	7.470	5.340	8.648.357
Total	**9.511.757**	**2.490**	**782.470**	**805.830**	**11.102.547**

The Group liquidity risk analysis as at 31.12.2016 is as follows:

	THE GROUP				
Amounts in € '000	**Until 1 year**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**TOTAL**
Borrowing	615.000	713.700	775.000	800.490	2.904.190
Other Liabilities	8.113.182	2.490	7.470	7.004	8.130.146
Total	**8.728.182**	**716.190**	**782.470**	**807.494**	**11.034.336**

(C) STRATEGY AND PROSPECTS FOR 2017

The role of rail transportation in modern societies is significant primarily for environmental, safety and economy reasons.

In this context, following our Company's vision, as recorded in its business plan and the mission statement made by the Board of Directors on March 29th 2016, OSE is going to implement its strategic objectives that in the middle term have been defined as follows:

1. Economic Viability

i. Increase of revenue from infrastructure management and reduction of costs for maintaining zero EBITDA
ii. Reduction of operating costs.
iii. Definition of infrastructure charges framework.

Increase of revenue from infrastructure management and reduction od costs for maintaining zero EBITDA

- Write-off of OSE debt to the State
- Accounting transfer of grants to future revenues
- Increased use of railway infrastructure
- Operation of Thriassoi Field Selection Center
- Sale of unusable and redundant railway line equipment
- Amendment of Law 4199/2013 on the increase in OSE revenue

Reduction of operating costs

- Generating prognostic maintenance information system
- Generating electronic infrastructure file
- A network of air-to-rail temperature measuring stations

Definition of infrastructure charges framework

- Reviewing the method of calculating the direct cost of charging for the use of the Railway Infrastructure (Infrastructure Fees)

2. Improving quality in the management of infrastructure and traffic through:

i. Improving service efficiency of infrastructure and traffic management.
ii. Introduction of new modern services.

Improving service efficiency of infrastructure and traffic management

- Extending the integrated inventory management system
- Improving the quality of rendered services and reducing the cost of completing new infrastructure projects
- Improving the Infrastructure Maintenance Services for safety and quality of the Greek Rail Network
- Reorganizing the existing rail network
- Maintenance of the existing railroad network
- Conducting studies on Infrastructure and Damage Subsystem Recovery
- Defining regulations, specifications, guidelines, procedures aimed at improving
- Conducting traffic management controls
- Staff recruitment beyond the already planned rates
- Framework Agreement on the conduct of Small-Scale Developmental and Technical Studies.
- Conducting studies on upgrading and development of the Railway Network.
- Improving the management capacity of OSE and ERGOSE and staff training.

Introduction of new modern services

- Introducing new modern services
- Advanced Passenger Service Systems at OSE stations using ICT
- Upgrading and maintenance of railroad recoding machinery

3. Improving Internal Efficiency of Business Procedures.

i. Improving HR Efficiency
ii. Improving organizational and procedural efficiency according to the National and European regulatory framework
iii. Introducing new technology

Improving HR Efficiency

- Providing training and educational facilities

Improving organizational and procedural efficiency according to the National and European regulatory framework

- Improving the effectiveness of the internal control function
- Implementation of a new procurement policy
- Providing Backup Solution and Disaster Recovery Site
- TAF / TAP system
- Review of the organizational chart - Amendment
- Defining a Legal Framework for the Operation of Railroad Transport in Greece
- Supply, customization and operation of Payroll and Personnel Management Information System

Introducing new technology

- Transfer of OSE structures and systems to Public Cloud environment
- Files digitization and documentation

4. Meeting the Regulatory Requirements for the Railway Market

i. Works Certification
ii. Standard Contract of Use of Infrastructure
iii. Improvement of Railroad Network Efficiency

Projects Certification

- Certification of projects - Compliance with European and national regulatory requirements.
- Compliance of network and projects with Interoperability requirements.
- Generation of Railway Infrastructure Registry.
- Completion and implementation of the safety management plan.

Standard Contract of Use of Infrastructure

- Reorganization/modernization of traffic regulations framework
- Network Statement

Improvement of Railroad Network Efficiency

- Efficiency engorgement system

The framework of the actions described above, stems from the provisions of the Law 3891/2010 and is adequately analyzed in terms of timetable, resources and economic data in the approved Business Plan of OSE for 2016 - 2020.

The year 2017 will be the year when the aforementioned activities will continue, aiming at restructuring and modernization of OSE at economic, institutional and operational level. The Company estimates that regarding medium to long term of development, the railways will follow an upward trend with a positive effect on the turnover of the company, benefiting from both: the expected economic growth from 2016, but mainly, from the completion of the investment projects of the Organization that will be gradually provided for operation.

In 2017, the Commission's Directorate-General for Competition issued a decision on government grants. The above decision stated that the measures taken to restructure the OSE (debt write-off, staff transfer, etc.) were in line with the European Legislation on Government Grants. As the Commissioner-in-charge stated, "the measures will help two public railway companies to become more efficient and provide better services to Greek passengers and corporate customers. This fits in the wider context of the Greek efforts aimed at restoring the competitiveness of the Greek economy and achieving significant growth".
A more extensive reference is made on Note 32.

(D) Related Parties Transactions

The Group and the Company inter-company transactions (disposals/acquisitions) for the closing period as compared to the corresponding period, are analyzed at notes 28 and 29.

KONSTANTINOS PETRAKIS
CHIEF EXECUTIVE OFFICER

C. Review Report on Interim Financial Information

To the shareholders of the Company "HELLENIC RAILWAYS ORGANIZATION S.A."

Introduction

We have reviewed the accompanying interim separate and consolidated statement of financial position of the Company HELLENIC RAILWAYS ORGANIZATION S.A. as at 30th June, 2017, the relative interim separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the interim financial information. Management is responsible for the preparation and presentation of this interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union and which apply to Interim Financial Reporting (International Accounting Standard IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The following issues arose from our review:

1. As also referred to in Note 4 to the interim financial statements, given the provisions of the Law 3891/2010 on conditional allocation to the State of real estate property and the liabilities of the organization, notwithstanding the accounting principles set out in IFRS, there was not conducted the impairment test on the existence of indications of impairment of engineering structures, vehicles and fixed assets under construction of the Company and the Group. Given this fact, we keep reservations regarding the size of the contingent impairment of property, plant and equipment as at June 30th, 2017 as well as its potential effect on the income statements for the closing and previous periods.
2. The Company decreased its debt to the Greek State by Euro 503 million due to the transfer of the respective carrying amount of rolling stock in accordance with the Joint Ministerial Decisions No. F35 /Οικ.23084/1822/14.4.2014 and F35 /Οικ.62786/3165/22.10.2015. The aforementioned Decisions also make reference to the fact that the commercial value of the transferred rolling stock was transferred will be determined following the subsequent decision of the respective Ministers and in case there is a difference compared to the carrying amount, the debt reduction regarding the Organization will be adjusted so that it would equal its commercial value. In the context of our review, we were not in position to obtain sufficient and appropriate evidence of the commercial value, given that technical and financial evaluation of the transferred rolling stock, as provided for in the above decision, has not been conducted. Therefore, we keep reservations regarding the size of the debt reduction and its potential effect on the income statement and the Equity of the Company and the Group as at June 30th, 2017.
3. As also referred to in Note 5 to the interim financial statements for the six-month period ended as at June 30th, 2017, notwithstanding the accounting principles laid down in IFRS, there was not conducted the readjustment of fair value measurement of the Group investment property as at June 30th, 2017. Given this fact, it is possible that the value at which this property is presented in the interim financial statements has changed, due to the changes in the conditions, as compared to the period of its last measurement. Given the above, we keep reservations regarding the fair value at which investment property is presented in the interim financial statements as well as the potential effect on the Equity and income statement for the closing and previous period.
4. Under the Joint Ministerial Decisions No. 45496/2336 GOVERNMENT GAZETTE 3182/12.9.2017, the company made provisions amounting to € 692 million for non-recoverable receivables from TRAINOSE S.A. The aforementioned amount equally burdened the income statement and the Equity for the period ended as at 30/6/2017, though it should have burdened the income statements for the previous periods.

Qualified Conclusion

Based on our review, apart from the potential effect of the matters 1, 2 and 3 and the effects of the matter 4, described in the paragraph "Basis for Qualified Conclusion", nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matters

We draw your attention to the following:

1. Note 32 to the interim financial statements that describes the issue of introduction of Law 3891/2010, which projects significant changes in operational structure of the Company and its subsidiaries, as well as in its property structure. In particular, the Law makes projections for conditional allocation to the State of real estate property, allocation of certain assets to the State; write off of receivables and allocation of parts of the Organization's liabilities. At the date of the interim financial statements preparation and approval by the Management, there were material uncertainties regarding the amounts of Assets and Liabilities and the Equity remaining with the Company and the Group and therefore, it was not possible to determine the impact of these changes on the financial position and assets structure of the Company and the Group.
2. The fact that the total Equity of the Company and the Group, taking into account the effects of the matters described in the paragraph "Basis for Qualified Conclusion", has been formed as that lower than one tenth (1/10) of the share capital and therefore, there are effective the prerequisites for application of Article 48 of Law 2190/1920. The Group's management is in the process of developing a suitable plan, under Laws 3891/2010, 4111/2013, 4313/2014, 4337/2015 and 4408/2016, in respect of withdrawal of implementation regarding the provisions of this Article and facilitating the Group going concern principle.

Our concluding opinion is not further qualified in respect of these matters.

Athens, September 29, 2017

The Certified Public Accountant — The Certified Public Accountant

Panagiotis Christopoulos
S.Q. SOEL. 28481

Marilena Bouzoura
S.Q. SOEL. 30511

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

STATEMENT OF FINANCIAL POSITION

		THE GROUP		THE COMPANY	
Amounts in € '000	Note	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
ASSETS					
Non-current assets					
Property, plant and equipment	4	11.058.716	11.019.152	11.135.022	11.090.999
Intangible assets		600	703	512	614
Investments in subsidiaries		0	0	303	303
Investments in other companies		15.265	15.265	15.265	15.265
Investment property	5	142.268	142.268	142.268	142.268
Other long term receivables	6	18.824	26.754	3.891	3.891
Total		**11.235.673**	**11.204.142**	**11.297.261**	**11.253.340**
Current Assets					
Inventory		5.986	7.822	5.986	7.822
Receivables from customers and other trade receivables	7	93.422	775.360	279.905	1.115.551
Other receivables	8	290.457	282.872	287.157	254.095
Cash and cash equivalents	9	280.568	454.434	52.243	70.592
Total		**670.433**	**1.520.488**	**625.291**	**1.448.060**
Assets held for sale		0	0	0	0
Total Assets		**11.906.106**	**12.724.630**	**11.922.552**	**12.701.400**
EQUITY AND LIABILITIES					
Equity					
Share capital	10	4.799.198	4.799.198	4.799.198	4.799.198
Amounts intended for share capital increase	11	3.723.100	3.702.315	3.723.100	3.702.315
Other reserves		8.878	8.878	4.434	4.434
Retained earnings		(8.398.245)	(7.536.841)	(8.358.357)	(7.500.982)
Equity attributable to owners of the parent		**132.931**	**973.550**	**168.375**	**1.004.965**
Non-controlling interests		0	0	0	0
Total Equity		**132.931**	**973.550**	**168.375**	**1.004.965**
Non-current Liabilities					
Pension and other employee	12	19.411	19.394	18.231	18.243
Future income from government grants	13	353.601	367.803	353.601	367.803
Long-term borrowings	14	1.575.490	2.289.190	1.575.490	2.289.190
Long-term provisions	15	265.428	260.700	265.428	260.700
Other long-term liabilities	16	15.511	17.201	15.298	16.964
Total		**2.229.441**	**2.954.288**	**2.228.048**	**2.952.900**
Current Liabilities					
Trade and other payables	17	31.314	68.075	15.540	19.659
Current tax payable		663	535	0	0
Other short term liabilities	18	9.511.757	8.728.182	9.510.589	8.723.876
Total		**9.543.734**	**8.796.792**	**9.526.129**	**8.743.535**
Total Liabilities		**11.773.175**	**11.751.080**	**11.754.177**	**11.696.435**
Liabilities held for sale		0	0	0	0
Total Equity and Liabilities		**11.906.106**	**12.724.630**	**11.922.552**	**12.701.400**

The attached Notes constitute an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Amounts in € '000	Note	THE GROUP 1/1/-30/6/2017	THE GROUP 1/1/-30/6/2016	THE COMPANY 1/1/-30/6/2017	THE COMPANY 1/1/-30/6/2016
Continuing Operations					
Revenue	19	11.085	9.816	9.975	9.710
Cost of sales	20	(132.686)	(129.752)	(129.152)	(127.142)
Gross Profit (loss)		**(121.601)**	**(119.936)**	**(119.177)**	**(117.432)**
Administrative expenses	20	(8.786)	(8.452)	(7.365)	(7.138)
Distribution costs	21	(699.365)	(855)	(699.320)	(840)
Other income	22	38.783	37.378	38.765	37.371
EBITDA		**(790.969)**	**(91.865)**	**(787.097)**	**(88.039)**
Finance costs	23	(72.309)	(88.213)	(72.300)	(88.190)
Finance income		2.002	2.362	1.563	1.672
Other financial items	24	0	(9.906)	0	(9.906)
Income from dividends		0	0	459	1.176
Losses before tax		**(861.276)**	**(187.622)**	**(857.375)**	**(183.287)**
Income tax expense		(128)	(200)	0	0
Losses for the year from continuing operations		**(861.404)**	**(187.822)**	**(857.375)**	**(183.287)**
Profit/(losses) for the year from discontinued operations	26	0	109.249	0	109.249
Losses for the year after tax		**(861.404)**	**(78.573)**	**(857.375)**	**(74.038)**

The attached Notes constitute an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY – THE GROUP

Amounts in € '000	Note	Share capital	Amounts intended for share capital increase	Other reserves	Retained earnings	Equity attributable to the owners of the parent
Balance as at 01/01/2016		**4.799.198**	**3.026.249**	**8.878**	**(7.279.614)**	**554.711**
Shareholders Deposits	11		124.114			**124.114**
Transactions with the owners		0	124.114	0	0	**124.114**
Losses for the year from continuing operations					(187.821)	**(187.821)**
Profit/Loss for the year from discontinued operations	*26*				109.248	**109.248**
Total Income		0	0	0	(78.573)	**(78.573)**
Balance as at 30/**6/2016**		4.799.198	3.150.363	8.878	(7.358.187)	**600.252**
Balance as at 01/01/2017		4.799.198	3.702.315	8.878	(7.536.842)	**973.549**
Shareholders Deposits	11		20.785			**20.785**
Transactions with the owners		0	20.785	0	0	**20.785**
Losses for the year from continuing operations					(861.403)	**(861.403)**
Total Income		0	0	0	(861.403)	**(861.403)**
Balance as at 30/6/2017		**4.799.198**	**3.723.100**	**8.878**	**(8.398.245)**	**132.931**

There are no non-controlling interest in the Group.

The attached Notes constitute an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY – THE COMPANY

Amounts in € '000	Note	Share capital	Amounts intended for share capital increase	Other Reserves	Retained earnings	Total equity
Balance as at 01/01/2016		**4.799.198**	**3.026.249**	**4.434**	**(7.252.278)**	**577.603**
Shareholders Deposits	11		124.114			**124.114**
Transactions with the owners		0	124.114	0	0	**124.114**
Losses for the year from continuing operations					(183.285)	**(183.285)**
Profit/Loss for the year from discontinued operations	26				109.249	**109.249**
Total Income		0	0	0	(74.036)	**(74.036)**
Balance as at **30/6/2016**		4.799.198	3.150.363	4.434	(7.326.314)	**627.681**
Balance as at **01/01/2017**		4.799.198	3.702.315	4.434	(7.500.983)	**1.004.964**
Shareholders Deposits	11		20.785			**20.785**
Transactions with the owners		0	20.785	0	0	**20.785**
Losses for the year from continuing operations					(857.374)	**(857.374)**
Total Income		0	0	0	(857.374)	**(857.374)**
***Balance as at* 30/6/2017**		**4.799.198**	**3.723.100**	**4.434**	**(8.358.357)**	**168.375**

The attached Notes constitute an integral part of the financial statements.

STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
Amounts in € '000	Note	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Cash flows from operating activities					
Losses before tax from continuing operations		(861.276)	(187.622)	(857.375)	(183.287)
Profit/ (losses) before tax from discontinued operations	26	0	109.249	0	109.249
Profit adjustments from continuing operations	25	854.413	180.525	854.775	179.943
Profit adjustments from discontinued operations	25	0	(109.249)	0	(109.249)
		(6.863)	**(7.097)**	**(2.600)**	**(3.344)**
Changes in Working Capital					
(Increase) / decrease in inventory		1.836	(742)	1.836	(742)
(Increase) / decrease in receivables		22.250	(30.751)	(10.695)	(30.422)
Increase / (decrease) in payables		(40.455)	(15.096)	(4.509)	38.252
		(16.369)	**(46.589)**	**(13.368)**	**7.088**
Cash flows from operating activities		**(23.232)**	**(53.686)**	**(15.968)**	**3.744**
Less: Income tax paid		0	0	0	0
Net cash flows from continuing operations		**(23.232)**	**(53.686)**	**(15.968)**	**3.744**
Net cash flows from discontinued operations		0	0	0	0
Net cash flows from operating activities		**(23.232)**	**(53.686)**	**(15.968)**	**3.744**
Cash flows from investing activities					
Purchase of property, plant and equipment		(139.291)	(139.031)	(143.722)	(143.311)
Purchase of intangible assets		(14)	(21)	(2)	(11)
Self-produced tangible fixed assets		(2.000)	(2.300)	(2.000)	(2.300)
(Increase) / decrease receivables		(32.127)	0	121.573	0
Increase/ (decrease) liabillities		(424)	0	(562)	0
Inflows from the Greek State (share capital increase)		20.784	124.114	20.784	124.114
Rental guarantee Payments		0	16	0	0
Net cash flows from investing activities		**(152.613)**	**(17.222)**	**(3.929)**	**(21.508)**
Cash flows from financing activities					
Inflows from government grants		0	0	0	0
Repayment of borrowings		(450.000)	(510.172)	(450.000)	(510.172)
Interest received		2.002	2.362	1.563	1.672
Interest paid		(103.372)	(119.599)	(103.363)	(119.577)
Change in other liabilities (Greek State)		553.348	629.630	553.348	629.637
Net cash flows from financing activities		**1.978**	**2.221**	**1.548**	**1.560**
Net increase / (decrease) in cash and cash equivalent		**(173.867)**	**(68.687)**	**(18.349)**	**(16.204)**
Cash and cash equivalent, beginning of year		454.434	234.408	70.592	103.640
Cash and cash equivalent, end of year		**280.567**	**165.721**	**52.243**	**87.436**

The attached Notes constitute an integral part of the financial statements.

D. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Information on the Group and the Company

1.1. General Information

"Hellenic Railways Organization S.A."(Public Law Entity) was founded on January 1st 1970 (by the Presidential Decree 674/1970) with the aim of being a unified organization, operation and development of the railway transports, as well as the railway network. The Company's headquarters are in Athens (Karolou Street 1-3).

OSE S.A., undertook modernizing its network and rolling stock. The new Strategic Transport Investment Framework 2014-2025 of the Ministry of Transport makes provisions for projects totally amounting to more than € 4 billion aimed at completing the existing lines modification as well as the construction of new railway lines and other infrastructures.

In 2016, the Board of Directors approved the new Operational Plan 2016-2020, which is planned for the Conservation and Maintenance Projects of the railway structure of OSE for the five-year period 2016-2020 actions of € 382 million. The Operational Plan has been updated for the period 2017 - 2021.

On 27/7/2016 Law No. 4408 / 16 was published on "Harmonization of legislation with Directive 2012/34 / EU of the European Parliament and of the Council of 21 November 2012 on the creation of a single European railway area" (OJ L343 / 32 of 14.12 .2012) and other provisions ".

Within the year 2008, there was finalized the secession of the subsidiary company TRAINOSE, therefore it no longer belongs to the Group. Within 2010, there was finalized the merger of EDISY S.A. with the parent company OSE S.A. Under Law 4111/2013 voted for by the Hellenic Parliament, the decision was made on transfer of GAIAOSE S.A. to the Greek State and secession and contribution of the Rolling Stock Maintenance segment to ROSCO SA.

Shareholder and Supervisory Authority

Shareholder: Greek State /Ministry of Finance
Supervisory Authority: Ministry of Economy, Infrastructure, Transport and Networks

Members of the Board of Directors

The Organization is managed by the Board of Directors. The BoD consists of 7 members with a maximum of six-year term of service. The members of the Board of Directors that approve the Annual Financial Report, were appointed following the Joint Ministerial Decision Prot. Num. 136 as of March 11th, 2016 are as follows:

GEORGIOS APOSTOLOPOULOS	Chairman of the BoD
KONSTANTINOS PETRAKIS	CEO
DIMITRIOS KIOUSIS	Executive Member
AIKATERINI KYLAKOU	Non-Executive Member
IOANNA TSILMIGKA	Non-Executive Member
THEODOROS AGAPITOS	Non-Executive Member
ATHANASIOS LEVENTIS	Non-Executive Member
Legal Consultants	ANDREAS ZACHOPOULOS - Director
	ATHANASIOS MIXELIS - Assoc. Director
Auditors	Grant Thornton S.A.

The above Table presents the Board of Directors that will approve the Interim Financial Statements.

Income Tax

As from 1.1.2014, the Company is exempted from income tax apart from the income acquired from capital and capital transfer goodwill under the provisions of Article 46, Law 4172/2013.

The basic taxation data regarding the Company is as follows:

G.E.M.I.	000779701000
S.A. Reg. Num.	1967/98/B/86/02/23.8.91
TIN	094 038 689, DOY FAE ATHINON
Headquarters address	Karolou 1 – 3, PC 104 37, Athens

1.2. The Company Scope of Operations

Following Presidential Decree 41/2005, OSE S.A. mandatory proceeded to unbinding operations, with separate entities managing the railway infrastructure and exploitation. For this reason, it established two subsidiaries EDISY S.A. and TRAINOSE S.A. entrusting the above sectors to the new entities. On 26/11/2010, following the Decision of the Minister of Transportation and Networks, there was approved the merger of OSE S.A. and EDISY S.A. At the same time, under the Law 3891/2010, there was modified the PD 41/2005 and it was defined that OSE exercises the duties of the management of the National Railway Infrastructure. The Group's operations per company, under PD 41/2005, as effective, are as follows:

OSE S.A.

OSE S.A. is the company which undertakes exclusive management of the National Railway Infrastructure. It is responsible for construction of new infrastructure, management of regulatory and a safety system of rail traffic and holds responsibilities defined by national and EU legislation regarding the infrastructure management. It is also in charge of managing the relative investments.

It estimates, tariffs, levies and collects fees for the use of the railway infrastructure from railway entities that use it. It makes decisions on the allocation of capacity.

ERGOSE S.A.

ERGOSE responsibilities include as follows:

1. design, tendering, procurement, construction and project management of railway infrastructure of the rail systems,
2. provision of services to OSE related to design, development and implementation of its programs,
3. conduct under state or any other public sector bodies expenditure, of expropriation and requisition of property to the State or any other public sector entities for the construction of railway infrastructure,
4. provisions of services related to design, development, support, management, supervision and construction works of any nature to third parties in Greece and abroad.

OSE may, following the decision of its Board of Directors, assign to ERGOSE, since it is an associate, within the meaning of article 42 e paragraph 5 of the Company Law 2190/1920, provision of all kinds of services related to design, development, implementation of its programs, as well as convey, without consideration, to ERGOSE all the main and ancillary rights and obligations arising from construction contracts.

2. Basis for Presentation and Preparation Framework

The Interim Financial Statements for the period have been prepared in accordance with International Accounting Standard 34 (IAS 34 "Interim Financial Reporting") as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) based on historic cost principal, as effective, with adjustments to fair value of investment property. The Interim Financial Statements have also been prepared under the Group and the Company going going concern principle. The Interim Financial Statements do not include all the information and disclosures required regarding the annual financial statement and, therefore, should be read in combination with the annual financial statements as of 31/12/2016.

The accounting policies based on which the interim six-month financial statements were prepared and are presented are in accordance with those used in the preparation of the Group and the Company Annual Financial Statements for the FY ended as at December 31, 2015, apart from amendments to the standards, effective as from 01/01/2017. The amendments are presented in Note 3.

The financial statements are presented in thousand Euro (€ '000), unless otherwise stated.

3. Changes in Accounting Principles

The accounting principles under which the financial statements have been prepared are the same as those used for the preparation of the annual financial statements for FY 2016, adjusted in respect of new Standards and revisions adopted by the Group as at January 1, 2017:

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

There are no new Standards, Interpretations, Revisions or Amendments to existing Standards that have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2017.

New Standards and Interpretations that have been issued and are mandatory for the accounting periods beginning on or after 01/01/2017 but not adopted by the European Union and not earlier implemented by the Group and the Company

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union. In particular:

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)	In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.
IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)	In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.
IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)	In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)	In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)	In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)	In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)	In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance	In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective

Contracts" (effective for annual periods starting on or after 01/01/2018)	dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)	In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)	In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)	In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)	In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.
IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)	In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Significant Accounting Estimates and Management Assumptions

Under the preparation of the interim financial statements, the significant accounting judgments, estimates and assumptions adopted by Management to implement the Group's accounting policies and the key sources of uncertainty affecting the estimates are the same as those adopted during the preparation of the annual financial statements for FY ended as at December 31, 2015.

4. Property, Plant and Equipment

Land plots, buildings and technical equipment are carried as at transaction date (01/01/2005) at deemed cost, as in compliance with the requirements of IFRS 1. Deemed cost is the fair value of fixed equipment at IFRS transition date, estimated by independent, internationally recognized actuary agency.

There are a lot of contractual commitments for acquisition of fixed assets (New Investment) of large amounts that mainly pertain to expansion, modernization and improvement of the National Rail Network.

The Group Property, plant and equipment items are analyzed as follows:

Amounts in € '000	**Land**	**Buildings**	**Machinery**	**Transportation technical equipment**	**Furniture and other equipment**	**Fixed assets under construction**	**Total**
Acquisition cost as at 1/1/2016	3.299.771	8.106.265	107.832	104.427	31.544	1.761.537	13.411.377
Les: Accumulated Depreciation	0	(2.392.699)	(63.601)	(60.890)	(23.029)	0	(2.540.220)
Net Book Value at 1/1/2016	**3.299.771**	**5.713.567**	**44.231**	**43.537**	**8.514**	**1.761.537**	**10.871.157**
Additions	2.080	1.676	1.562	0	175	344.621	350.113
Transfer to Greek State & held for sale	0	0	0	(4.003)	0	0	(4.003)
Sales	0	0	0	(37)	(59)	0	(96)
Total Depreciations of transferred rolling stock to Greek State	0	0	0	0	0	0	0
Self-produced tangible fixed assets	0	5.513	0	0	0	0	5.513
Depreciation of discontinued operations	0	0	0	0	0	0	0
Depreciation	0	(194.179)	(6.278)	(2.060)	(1.014)	0	(203.532)
Acquisition as at 31/12/2016	3.301.851	8.113.454	109.394	100.387	31.660	2.106.158	13.762.904
Less: Accumulated Depreciatio	0	(2.586.878)	(69.880)	(62.950)	(24.043)	0	(2.743.752)
Net Book Value at 31/12/2016	**3.301.851**	**5.526.576**	**39.514**	**37.436**	**7.616**	**2.106.158**	**11.019.152**
Additions	11.014	49	18	0	81	128.129	139.291
Transfer to Greek State & Held for Sale	0	0	0	(0)	0	0	(0)
Self-produced tangible fixed assets	0	0	0	0	0	2.000	2.000
Depreciation	0	(96.972)	(3.177)	(1.040)	(540)	0	(101.729)
Acquisition cost as at 30/6/2017	3.312.865	8.113.503	109.412	100.387	31.741	2.236.287	13.904.195
Less: Accumulated Depreciation	0	(2.683.851)	(73.054)	(63.990)	(24.583)	0	(2.845.478)
Net Book Value at 30/6/2017	**3.312.865**	**5.429.653**	**36.358**	**36.396**	**7.158**	**2.236.287**	**11.058.716**

Amounts in € '000	**Land**	**Buildings**	**Machinery**	**Transportation technical equipment**	**Furniture and other equipment**	**Fixed Asset under construction**	**Total**
Acquisition cost as at 1/1/2016	3.305.032	8.105.085	108.572	104.256	29.376	1.818.604	13.849.559
Less: Accumulated Depreciation	0	(2.197.949)	(57.467)	(302.695)	(20.039)	0	(2.578.150)
Net Book Value at 1/1/2016	**3.305.032**	**5.907.136**	**51.105**	**(198.439)**	**9.337**	**1.818.604**	**11.271.410**
Additions	2.152	1.676	1.561	0	152	353.270	358.810
Transfer to Greek State	0	0	0	(4.003)	0	0	(4.003)
Transfer to Greek State & held for sale (Depreciation)	0	0	0	0	0	0	0
Self-produced tangible fixed assets	0	5.513	0	0	0	0	5.513
Depreciation	0	(194.176)	(6.276)	(2.077)	(1.036)	0	(203.566)
Depreciation of discontinued operations	0	0	0	0	0	0	0
Acquisition cost as at 31/12/2016	3.307.184	8.112.274	110.133	100.253	29.527	2.171.875	13.831.246
Less: Accumulated Depreciation	0	(2.585.571)	(69.721)	(62.894)	(22.060)	0	(2.740.246)
Net Book Value at 31/12/2016	**3.307.184**	**5.526.702**	**40.412**	**37.359**	**7.467**	**2.171.875**	**11.090.999**
Additions	11.421	49	18	0	78	132.156	143.722
Transfer to Greek State & held for sale	0	0	0	(0)	0	0	(0)
Self-produced of discontinued opertions	0	0	0	0	0	2.000	2.000
Depreciation	0	(96.972)	(3.176)	(1.030)	(521)	0	(101.699)
Acquisition cost as at 31/12/2017	3.318.605	8.112.323	110.151	100.253	29.605	2.306.030	13.976.968
Less: Accumulated Depreciation	0	(2.682.544)	(72.896)	(63.924)	(22.581)	0	(2.841.945)
Net Book Value at 30/6/2017	**3.318.605**	**5.429.779**	**37.255**	**36.329**	**7.025**	**2.306.030**	**11.135.022**

Following the publication of the Joint Ministerial Decisions No. F35/Οικ.23084/1822/14/04/2014 and F35/OIK.62786/3165/22.10.2015, the rolling stock was automatically transferred by OSE to the Greek State. OSE debt to the Greek State will be equally reduced at the book value amounting to € 315,15 million and € 187,8 million respectively regarding the rolling stock transferred on the transfer date. The issues related to the delivery of rolling stock, the organizations-in charge-of the transfer, the storage spaces, determination of the transferred stock condition as well as the technical and financial evaluation of the rolling stock for the purposes of establishing its commercial value will be defined under a new decision of the respective Ministers to be issued in accordance with the provisions of Article 8 of Law 3891/2010 as effective. In case there is a difference compared to the carrying amount, the debt reduction regarding the Organization will be adjusted so that it would equal its commercial value. On 17.10.2015, OSE signed Assumption Agreement with the Greek State towards Eurofima and following the publication of the Joint Ministerial Decision No. 337/29.03.2016, as from 1.1.2016, OSE no longer enjoys any right arising from finance lease agreements with Eurofima. The transferred value has burdened the income statement for the period 2016.

5. Investment Property

Land plots and buildings are carried at IFRS transition date (01/01/2005) at adjusted values as determined based on fair values by an independent valuer at the transition date.
In 2011, there was completed the update of the fair value of OSE S.A. investment property investment by an independent appraiser at the reporting date 31/12/2010.

6. Other Long-term Receivables

The receivables pertain to advance payments performed to the contractors by the subsidiary ERGOSE S.A. According to Article 51, Law 3669/2008, on public construction projects, the Company provides advance payments to contractors till 15% of the total contractual amount. The contractor is burdened with interest for the aforementioned purposes.

7. Trade and Other Receivables

The analysis of the Group and the Company trade and other trade receivables is as follows:

-	THE GROUP		THE COMPANY	
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Receivables from private sector	1.205	1.192	1.131	1.124
International Transport Fares	1.292	1.292	1.292	1.292
Greek State – Public entities	795.014	784.803	795.013	784.804
Receivables from related company	0	0	186.016	339.717
Total Receivables	**797.511**	**787.287**	**983.452**	**1.126.937**
Less: Allowance for bad debts	(704.089)	(11.927)	(703.547)	(11.386)
Total Net Receivables	**93.422**	**775.360**	**279.905**	**1.115.551**

The total of the above receivables are short term and their book value approximates their fair value. In compliance with the Joint Ministerial Decision 45496/2336 published on 12.9.2017 in Government Gazette B3182, claims from TRAINOSE amounting to € 692 million were applied in accordance with Law 3891/2010. The Organization has made a corresponding provision for impairment.

8. Other Receivables

The Group and the Company Other Receivables are analyzed as follows:

-	THE GROUP		THE COMPANY	
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Receivables from Greek State	271.654	239.855	270.589	238.799
Receivables from Insurance Funds	48.707	48.705	48.707	48.705
Advanced payments to suppliers	3.086	3.100	3.086	3.100
Miscellaneous debtors	12.724	38.051	10.511	10.491
Blocked Deposit Accounts	850	847	850	847
Prepaid expenses	4	153	0	120
Income Received	1.500	1.111	1.500	1.000
Staff current accounts	4.340	3.458	4.322	3.441
Receivables from Foreign Networks	304	304	304	304
Receivables from Foreign Networks	**343.169**	**335.584**	**339.869**	**306.807**
Less: Allowance for bad debts	(52.712)	(52.712)	(52.712)	(52.712)
Total Net Receivables	**290.457**	**282.872**	**287.157**	**254.095**

The item «Receivables from Greek State» mainly includes VAT returns.

The accumulated provision for doubtful receivables from insurance funds amounts € 48.590 k (2016: € 48.590 k). The remaining amount of the provision pertains to other accounts receivable

Miscellaneous debtors account also includes prepayments and claims from suppliers.

9. Cash and Cash Equivalents

Cash and cash equivalents represent cash in the Group's cashier as well as the bank deposits (sights or long term deposits) that are available upon demand.

Following No. 5316/2.4.2015 minutes of the Board of Directors, the Company Management, in compliance with the decision of the General Meeting of OSE Shareholders held on March 26, 2015, approved the proposal to open a cash management account/ accounts of OSE at the Bank of Greece. The Legislative Act (Government Gazette A' 41/ 20.04.2015) made provisions for the mandatory transfer of cash and time deposits of the General Government Institutions to the Bank of Greece, based on the provisions of case G, paragraph 11, Article 15, Law 2469/1997 (A'38), as amended by Article 36, Law 4320/2015 (A' 29). This article makes provisions for the possibility of investing the total of such funds into acquisition or disposal securities of the Greek State securities under re-disposal/repurchase transactions with the Greek State. If case capital losses arises, the Institution holds direct claim for losses against the Greek State. Following the above, 61% of the Company's total cash available (or 100% of non-directly callable receivables for the needs of cash management) were transferred to the aforementioned account.

The Legislative Act has imposed capital control in Greece. The Group estimates that no liquidity shortage is to be currently expected.

The Group and the Company cash and cash equivalents are as follows:

	THE GROUP		THE COMPANY	
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Cash on hand	57	53	53	47
Bank deposits in €	279.379	453.250	51.058	69.414
Bank deposits in foreign currency	1.132	1.131	1.132	1.131
Total Cash & Cash Equivalents	**280.568**	**454.434**	**52.243**	**70.592**

10. Share Capital

The Company share capital comprises 47.991.984 ordinary, fully paid Shares (2016: 47.991.984), of nominal value € 100 each. The total share capital amounts to € 4.799.198.400.

As far as the Company Share Capital is concerned, there are no specific restrictions apart from those, imposed by the effective legislation.

11. Amounts Intended for Share Capital Increase

The Group and the Company amounts intended for the Share Capital Increase are analyzed as follows:

Amounts in € '000	**THE GROUP**	**THE COMPANY**
Balance as at 1/1/2016	**3.026.249**	**3.026.249**
Shareholders deposits	676.066	676.066
Balance as at 31/12/2016	**3.702.315**	**3.702.315**
Shareholders deposits	20.785	20.785
Balance as at 30/6/2017	**3.723.100**	**3.723.100**

The above amounts are expected to be capitalized following the issue of ministerial decisions.

12. Pension and Other Employee Obligations

The corresponding obligations of the Group and the Company as well as the amounts recorded in the income statement are as follows:

	THE GROUP		THE COMPANY	
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Opening balance obligations	**19.394**	**20.086**	**18.244**	**18.933**
Pension benefits (debited in the income statement)	111	632	81	566
Pension benefits (debited in other comprehensive income)	0	(340)	0	(271)
Use of provisions (payments)	(94)	(984)	(94)	(984)
Total	**19.411**	**19.394**	**18.231**	**18.244**

13. Future Income from Government Grants

The above item includes effective fixed assets grants.

		THE GROUP		THE COMPANY
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Acquisition value	707.050	706.777	707.050	706.777
Grants Amortization	(353.449)	(338.974)	(353.449)	(338.974)
Book value as at 30/6/2017	**353.601**	**367.803**	**353.601**	**367.803**

The aforementioned government grants pertain to:
1. Government Investments Grants
2. European Union Grants
3. Volos – Milies line reoperation grants
4. Grants from the General Secretariat of Research and Technology (MITRO – SRM LIFE- INTELLECT)

The future income from the grants included in the above account is definite.

14. Long term Loan Liabilities

The Group and the Company long term loan liabilities are analyzed as follows:

Long term Loan Liabilities	**THE GROUP**		**THE COMPANY**	
Amounts in € '000	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Bond loans in euros	1.575.490	2.289.190	1.575.490	2.289.190
Total	**1.575.490**	**2.289.190**	**1.575.490**	**2.289.190**

The maturity dates of the Group and the Company loans (in years) are as follows:

Borrowing as at 30/6/2017	**THE GROUP AND THE COMPANY**			
Amounts in € '000	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**TOTAL**
Bank Bond Loans	0	775.000	800.490	1.575.490
Total	**0**	**775.000**	**800.490**	**1.575.490**

The Group and the Company long-term loan liabilities paid in the following year are included in the item «Other short term liabilities» (Note 18) and for the current period amount to € 0,87 billion, while the corresponding amount in the previous year was € 0.61 billion.

All the loan liabilities of the Organization that as at 30/6/2017 stand at € 2.454.2 million, are secured by the Greek State. Bonds of approximately € 2.329.2 million are held by the Greek State following the exchange process (Private Sector Involvement - PSI+) completed in 2012, while bonds worth of € 125 million are held by third parties that have not accepted the terms of exchange.

15. Other Provisions

The provisions, included in the above item, are analyzed as follows:

Amounts in € '000	THE GROUP Other provisions for contingent liabilities	Provisions for tax inspection differences	Total	THE COMPANY Other provisions for contingent liabilities	Provisions for tax inspection differences	Total
Book value as at 1/1/2016	**216.249**	**50.767**	**267.016**	**216.249**	**50.767**	**267.016**
Additions	1.400	0	1.400	1.400	0	1.400
Used provisions	(7.716)	0	(7.716)	(7.716)	0	(7.716)
Book value as at 31/12/2016	**209.933**	**50.767**	**260.700**	**209.933**	**50.767**	**260.700**
Additions	4.728	0	4.728	4.728	0	4.728
Used provisions		0	0		0	0
Book value as at 30/6/2017	**214.661**	**50.767**	**265.428**	**214.661**	**50.767**	**265.428**

16. Other Long-term Liabilities

The account mainly pertains to the long-term component of liabilities arising following the final settlement of liabilities to insurance organizations (Law 4321/2015). The settlement includes liabilities arising as till 2011 inclusively. Since the settlement date till currently, the Organization timely pays its insurance contributions.

17. Trade and Other Liabilities

Trade and other liabilities balances in respect of the Group and the Company are analyzed as follows:

Amounts in € '000	THE GROUP 30/6/2017	31/12/2016	THE COMPANY 30/6/2017	31/12/2016
Domestic suppliers	31.229	34.936	15.517	19.186
Foreign suppliers	23	473	23	473
Checks payable	62	32.666	0	0
Total Liabilities	**31.314**	**68.075**	**15.540**	**19.659**

18. Other Short-term Liabilities

The Group and the Company other short-term liabilities are analyzed as follows:

Amounts in € '000	THE GROUP 30/6/2017	31/12/2016	THE COMPANY 30/6/2017	31/12/2016
Greek State – Loan Repayment	8.490.235	7.936.887	8.490.235	7.936.887
Long term liabilities carried forward	878.700	615.000	878.700	615.000
Accured expenses	31.824	62.928	31.824	62.920
Other taxes (excluding income tax)	1.081	4.297	64	123
Insurance funds	3.152	3.139	3.116	3.139
Advances from customers	1.302	1.387	1.302	1.387
Salaries and wages payable	1.882	1.657	1.882	1.657
Deferred income	96	96	0	0
PDE Liabilities	60.391	60.391	60.391	60.391
Miscellaneous debtors	240	240	240	240
Fees beneficiaries	9.735	8.452	9.716	8.426
Other short term liabilities	33.119	33.708	33.119	33.706
Total Liabilities	**9.511.757**	**8.728.182**	**9.510.589**	**8.723.876**

Within the current period, the Organization liabilities to the Greek State arising from loan guarantees increased by € 540 million. The most significant amounts that have increased the aforementioned liabilities pertain to an amount of € 450 million, regarding amortization of loans and an amount of € 90 million regarding interest and loan commissions over loans under guarantees. As referred to in Note 14, the amounts of credit installments and interest that appear to have been paid by the guarantor (the Greek State) differ in respect of the actual amounts paid, meaning that a significant part of the liabilities of the Organization (approximately 94.9% of the value of its bonds) has come into possession of the Greek State through the exchange process (PSI+ 2012).

Long-term liabilities carried forward are related to amortization of loans to be paid within the next fiscal year. An amount of Euro 754 million is owned by the Greek State.

Accrued expenses mainly concern accrued interest on bond loans.

Other current liabilities mainly concern liabilities amounting to approximately Euro 4,1 million for staff retirement and Euro 21 million for obligation due to judicial dispute with another public entity.

19. Turnover

The Group and the Company turnover analysis is as follows:

-	THE GROUP		THE COMPANY	
Amounts in € '000	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Income from infrastructure use fees	7.170	7.600	7.170	7.600
Income from Other Services	633	968	424	877
Income from infrastructure use duties (Electrification)	1.959	1.119	1.959	1.119
Disposal of obsolete stock	1.323	129	422	114
Total	**11.085**	**9.816**	**9.975**	**9.710**

Income from infrastructure use duties concern the income receivable from the companies TRAINOSE S.A. and URBAN RAIL TRANSPORT S.A. that use it. It is calculated based on the Network Statement which is annually renewed and posted on the Organization's website.

Revenue from rendering services is mainly related to income from the provision of education services to third parties, providing IT services and rental of buildings and means of transportation.

Revenue from infrastructure use duties (electrification) concern revenue from the companies TRAINOSE S.A. and URBAN RAIL TRANSPORT S.A. under electrification transfer cost.

Income from scrap sales pertains to disposals of old and obsolete inventory.

20. Analysis of Expenses per Category

Analysis and allocation of the Group expenses for the closing year per category as well as the comparative period sizes are presented below as follows:

-	THE GROUP 1/1/-30/6/2017			THE COMPANY 1/1/-30/6/2017		
Amounts in € '000	**Cost of sales**	**Administration expenses**	**Total**	**Cost of sales**	**Administration expenses**	**Total**
Cost of inventory recognized as expenses	3.027	0	**3.027**	3.027	0	**3.027**
Cost of tangible assets depreciation	99.340	2.389	**101.729**	99.320	2.380	**101.700**
Cost of intangible assets amortization	12	106	**118**	3	101	**104**
Operating leases expenses	362	112	**474**	163	9	**172**
Electric power	2.684	36	**2.720**	2.684	36	**2.720**
Distribution expenses	28	0	**28**	3	0	**3**
Telecommunications	195	121	**316**	176	111	**287**
Insurance	10	96	**107**	3	92	**96**
Repair and maintenance	1.402	43	**1.445**	1.369	25	**1.394**
Charges for outside services	1.009	39	**1.048**	989	28	**1.017**
Taxes-Duties	593	55	**648**	578	44	**622**
Employee compensation and expenses	20.245	4.512	**24.757**	18.062	3.583	**21.645**
Professional fees and expenses	4.386	877	**5.263**	4.363	631	**4.994**
Current employment Cost	15	32	**47**	0	26	**26**
Advertisement expenses	6	72	**78**	0	68	**68**
Travel expenses	0	28	**28**	0	9	**9**
Miscellaneous expenses	471	268	**739**	412	222	**634**
Verified projects cost	901	0	**901**	0	0	**0**
Self-production	(2.000)	0	**(2.000)**	(2.000)	0	**(2.000)**
Total	**132.686**	**8.786**	**141.473**	**129.152**	**7.365**	**136.518**

	THE GROUP 1/1/-30/6/2016			THE COMPANY 1/1/-30/6/2016		
Amounts in € '000	**Cost of sales**	**Administration expense**	**Total**	**Cost of sales**	**Administration expenses**	**Total**
Cost of inventory recognized as expenses	833	10	**843**	833	10	**843**
Cost of tangible assets depreciation	99.160	2.384	**101.544**	99.139	2.375	**101.514**
Cost of intangible assets amortization	12	77	**89**	4	73	**77**
Operating leases expenses	370	116	**486**	168	16	**184**
Electric power	3.180	101	**3.281**	3.180	101	**3.281**
Distribution expenses	18	0	**18**	1	0	**1**
Telecommunications	277	129	**406**	261	121	**382**
Insurance	87	28	**118**	79	24	**106**
Repair and maintenance	2.057	29	**2.086**	2.032	17	**2.049**
Charges for outside services	120	30	**150**	98	19	**117**
Taxes-Duties	571	80	**651**	556	69	**625**
Employee compensation and expenses	20.768	4.174	**24.942**	18.631	3.395	**22.026**
Professional fees and expenses	4.110	874	**4.984**	4.057	649	**4.706**
Current employment cost	8	28	**36**	0	25	**25**
Advertisement expenses	15	26	**41**	2	6	**8**
Travel expenses	0	40	**40**	0	14	**14**
Miscellaneous expenses	466	326	**792**	401	224	**625**
Verified projects cost	0	0	**0**	0	0	**0**
Self-production	(2.300)	0	**(2.300)**	(2.300)	0	**(2.300)**
Total	**129.752**	**8.452**	**138.207**	**127.142**	**7.138**	**134.283**

21. Other Operating Expenses

The Group and the Company other operating expenses are analyzed as follows:

-	THE GROUP		THE COMPANY	
Amounts in € '000	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Fines & surcharges	72	19	72	19
Other operating expenses	1.026	401	1.025	401
Inventory deficit differences value	0	0	0	0
Interest surcharges	824	0	824	0
Prior periods expenses	553	1.109	509	1.109
Provisions	696.890	0	696.890	0
Total	**699.365**	**840**	**699.320**	**840**

The provisions refer to the write-off of the receivable from TRAINOSE amounting to € 692 million and, on the other hand, liabilities of past years to ROSCO.

22. Other Operating Income

The Group and the Company other operating income is analyzed as follows:

-	THE GROUP		THE COMPANY	
Amounts in € '000	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Extraordinary grant	0	0	0	0
Service income	102	340	102	335
Income from rendering of staff	1.451	191	1.451	191
Operating leases income	0	75	0	75
Extraordinary profit from write off of liabilities & Other income	42	99	41	97
Income from penalties - Forfeiture	468	35	468	35
Grants proportional to the year	14.201	14.136	14.201	14.136
State grant	22.500	22.500	22.500	22.500
Income from Provisions	19	2	2	2
Total	**38.783**	**37.378**	**38.765**	**37.371**

Within the closing period, there was provided state grant to OSE S.A. by the Greek State, amounting to € 22.500 k. The grant in question concerns the following services:
Service A: Maintenance and operation of existing railway infrastructure
Service B: Railway Traffic Management
Service C: Other services
The amount of the grant for every year will be determined by contract to be signed between OSE S.A. and the Greek State. The contract signing will be completed upon finalization of the railway infrastructure recording process for which OSE S.A. will undertake the maintenance obligation.

23. Finance Costs

The Group and the Company finance costs are analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in € '000	**30/6/2017**	**30/6/2016**	**30/6/2017**	**30/6/2016**
Borrowing interest	72.251	87.573	72.251	87.572
Interest expense on defined benefit liability	49	617	49	617
Other similar expenses	9	23	0	1
Total	**72.309**	**88.213**	**72.300**	**88.190**

24. Other financial Results

The Group and the Company other financial results pertain to foreign exchange translation differences regarding the loans issued by the parent company in Japanese Currency (yen ¥).

25. Cash Flows – Profit Adjustments

The income statement adjustments for the definition of cash flows from operating activities are analyzed as follows:

Continuing Operations		THE GROUP		THE COMPANY	
Amounts in € '000	Note	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Income Statement adjustments for:					
Depreciation of tangible fixed assets		101.726	101.539	101.702	101.510
Depreciation of tangible fixed assets of discontinued operations		118	88	104	76
Provisions and Returned Provisions		696.907	(2.735)	696.877	(2.768)
Income from Dividends		(459)	0	(459)	(1.176)
Income from government grants		(14.201)	(14.136)	(14.201)	(14.136)
Interest income		(2.002)	(2.362)	(1.563)	(1.672)
Interest expenses		72.324	88.225	72.315	88.203
Foreign currency translation differences		0	9.906	0	9.906
Total		**854.413**	**180.525**	**854.775**	**179.943**

Discontinued		THE GROUp		THE COMPANY	
Amounts in € '000	Note	**1/1/-30/6/2017**	**1/1/-30/6/2016**	**1/1/-30/6/2017**	**1/1/-30/6/2016**
Loss due to transfer of Rolling Stock		0	210.579	0	210.579
Profit from undertaking loan liabilities from the Greek State		0	(319.828)	0	(319.828)
Total		**0**	**(109.249)**	**0**	**(109.249)**

26. Discontinued Operations

TRANSFER OF PART OF ROLLING STOCK TO THE GREEK STATE

In compliance with the Joint Ministerial Decisions F35/OIK.23084/1822/14/4/2014 and F35/οικ.62786/3165/22.10.2015, the rolling stock referred to in the relative decision was transferred by OSE to the Greek State. On 17.10.2015, OSE signed Assumption Agreement with the Greek State towards Eurofima and following the publication of the Joint Ministerial Decision No. 337/ 29.03.2016, as from 1.1.16, OSE no longer has any right arising from finance lease agreements with Eurofima, thus making the Greek State the first beneficiary and lessee of the domestic rolling stock.

	THE GROUP		THE COMPANY	
	1/1/-30/6/2017	1/1/-30/6/2016	1/1/-30/6/2017	1/1/-30/6/2016
Discontinued Operations				
Cost of sales	0	0		
Other operating expenses (damaged rolling stock)	0	(210.579)		(210.579)
Accrued interest	0	0		
Other operating income (profit from loans written off)	0	319.828		319.828
EBITDA	**0**	**109.249**	**0**	**109.249**

27. Segment Reporting

Each segment income and expenses for the periods are analyzed as follows:

Amounts in € '000 ***Segment reporting as at 30/6/2017***	**Infrastructure & Traffic Operation**	**Other**	**Non apportioned**	**TOTAL**
Income				
Revenue from rendering of services	9.129	846	1.109	11.085
Other income	22.500	0	2.082	24.582
Total Income	**31.629**	**846**	**3.191**	**35.666**
Expenses				
Employee benefits expense	21.174	3.583	0	24.757
Inventory (material usage)	3.011	16	0	3.027
Expenses to third parties	10.726	1.274	1.844	13.844
Self-production of fixed assets	(2.000)	0	0	(2.000)
Other Expenses	282	6.902	692.207	699.391
Total Expenses	**33.193**	**11.775**	**694.051**	**739.019**
EBITDA	**(1.564)**	**(10.929)**	**(690.860)**	**(703.353)**
Depreciation	85.187	2.414	0	87.601
EBIT	**(86.751)**	**(13.343)**	**(690.860)**	**(790.954)**
Finance Income	0	0	2.002	2.002
Finance costs	0	0	72.324	72.324
Losses before tax	**(86.751)**	**(13.343)**	**(761.182)**	**(861.276)**
Tax expense	0	0	128	128
Losses for the year from continuing operations	**(86.751)**	**(13.343)**	**(761.310)**	**(861.404)**
Losses for the year from discontinued operations	0	0	0	0
Losses for the year	**(86.751)**	**(13.343)**	**(761.310)**	**(861.404)**

Amounts in € '000 ***Segment reporting as at 30/6/2016***	**Infrastructure & Traffic Operation**	**Other**	**Non apportioned**	**TOTAL**
Income				
Revenue from rendering of services	8.719	991	106	9.816
Other income	22.500	15	727	23.242
Total Income	**31.219**	**1.006**	**833**	**33.058**
Expenses				
Employee benefits expense	21.547	3.395	0	24.942
Inventory (material usage)	827	16	0	844
Expenses to third parties	10.830	1.256	1.009	13.095
Self-production of fixed assets	(2.300)	0	0	(2.300)
Other Expenses	209	656	15	880
Total Expenses	**31.112**	**5.324**	**1.024**	**37.460**
		0		
EBITDA	**106**	**(4.317)**	**(191)**	**(4.402)**
Depreciation	84.005	3.446	0	87.450
EBIT	**(83.898)**	**(7.763)**	**(191)**	**(91.852)**
Finance Income	0	0	2.362	2.362
Finance costs	0	0	98.130	98.130
Losses before tax	**(83.898)**	**(7.763)**	**(95.960)**	**(187.621)**
Tax expense	0	0	200	200
Losses for the year from continuing operations	**(83.898)**	**(7.763)**	**(96.160)**	**(187.821)**
Losses for the year from discontinued operations	0	109.249	0	109.249
Losses for the year	**(83.898)**	**101.486**	**(96.160)**	**(78.572)**

The main client of OSE SA is the company TRAINOSE SA. Total revenue from services to TRAINOSE SA amounts to € 9.3 million, and mainly concerns the Infrastructure and Traffic sector.

28. Related Parties Transactions

The Group and the Company inter-company transactions (disposals/acquisitions) are analyzed as follows:

Amounts in € '000	**THE COMPANY**	
Acquisition of Assets	**30/6/2017**	**30/6/2016**
Subsidiaries	144.907	138.755
Other related parties	0	0
Revenue		
Subsidiaries	906	4.439
Other related parties	0	0
Total	**144.001**	**134.316**

The Company provisions to the Members of the Management for the respective periods are as follows:

-	**THE GROUP**		**THE COMPANY**	
Amounts in € '000	**30/6/2017**	**30/6/2016**	**30/6/2017**	**30/6/2016**
BoD & CEO benefits	69	89	41	38

29. Related Parties Receivables – Payables

The Group and the Company inter-company receivables/payables balances are analysed as follows:

Amounts in € '000	**THE COMPANY**		**ADJUST**	
Receivables	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Subsidiaries	186.016	339.717		0
Total	**186.016**	**339.717**	**0**	**0**
Payables	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
Subsidiaries	0	0		0
Total	**0**	**0**	**0**	**0**

No loans have been issued to members of the Board of Directors or to any Company's executives (and their families).

OSE S.A. and TRAINOSE S.A. are independent from each other. OSE receivables from TRAINOSE stand at € 75 million (2016: 759,6 million). Income from OSE provision of services and sale of goods to TRAINOSE stood at approximately € 9.3 million, while the corresponding expenses stood at approximately € 3 k.

30. Commitments, Contingent Liabilities and Receivables

30.1 Guarantees

Various types of Letters of Guarantee, mainly related to the projects, have been issued to the Company and the Group. Good performance, advance payment and 10% retention letters of guarantee, received by the Group for the period stand at € 437.330 k (31/12/2016: € 481.876 k). Letters of guarantee to third parties for conduct of expropriation for the period stood at € 18.220 k (2015: €18.220 k).

30.2 Litigations

Third parties versus OSE

There is a sufficient number of litigations, pending for a long time, against the Company and the Group pertaining to the following amounts:

Litigations arising from:	**Amount claimed**
Labor disputes	117.647
Transportation - Accidents	41.835
From Contract	83.771
Damage to third party	46.466
Total	**289.719**

As far as the above litigations are concerned and according to the estimates of the company legal consultants, there has been formed accumulative provision, totally amounting to € 210 million that is presented in the item «Other Provisions» (Note 15).

OSE versus third parties

OSE has filed motions against third party suppliers, contractors etc. based on contractual obligations or motions directly related to the contractual obligations of the above counterparties of the Group (ex. Moral damage), totally amounting to € 341 million. It shall be noted that the majority of the motions arise from the program agreements signed by the Group.

30.3 Tax Non-inspected Years

The Group makes the relevant provision for tax non-inspected years. The above provision totally amounts to € 51 million (Note 15).

The table below briefly presents the Group tax non-inspected years, as till currently:

Company	Tax Non-inspected Years
OSE S.A.	2009-2010
ERGOSE S.A.	2010

For 2009 and 2010 fiscal years, it was conducted by "Audit Authority for Large Enterprises" a partial audit of Real Estate Tax, Withholding Tax and Hellenic Code of Accounting Books and Records, while Income Tax is still pending. In the previous year, the audit of EDISY SA was completed and the company was merged with OSE for the fiscal years 2006, 2007, 2008. For the years 2011, 2012, 2013, 2014, 2015 and 2016 the parent company and the subsidiary ERGOSE SA was Tax audited by the Certified Public Accountants. The finalization of the audit by the Ministry of Finance is still pending.

31. Number of Employed Personnel

The average number of employees in the group is as follows:

	THE GROUP		THE COMPANY	
Number of employees	**30/6/2017**	**31/12/2016**	**30/6/2017**	**31/12/2016**
	1.451	1.504	1.260	1.313

32. Significant Events

With the adoption of Law 3891/2010, there was attempted the fundamental operational and economic redesign of the railway system in order to control the accumulated debts, to revise the loss-making activities and, in general, to assign specific roles to the involved entities in order to achieve a competitive process on the railway market. An independent administrative authority, the Rail Regulatory Authority (RAS), has been set up, aiming at a wider expansion of the railway market, control and enforcement of competition rules.

The spin-off of the Rolling Stock Maintenance Sector took place in 2013 and it was contributed to the newly established company EESSTY SA in accordance with the provisions of article 24 of Law 4111/2013.

In 2013, the transfer of the shares of GAIAOSE SA from OSE to the Greek State was completed, in accordance with Joint Ministerial Decision Φ26 /Οικ.12874/1400 (Government Gazette 759 / B / 3.4.2013).

Also, in 2014, 2015 and 2016, the ownership of rolling stock was gradually transfered by OSE to the Greek State withought consideration, as described in detail in the following paragraphs.

On July 27, 2016 Law 4408/2016 was published to harmonize Greek legislation with Directive 2012/34 / EU of the European Parliament and of the Council of 21 November 2012 for the establishment of a single European railway area. The law applies to the use of railway infrastructure for domestic and international rail services.

Adopted:

a) rules governing the management of railway infrastructure and the rail transport activities of railway Companies.

b) the criteria applicable to the issue, renewal or amendment of licenses for railway Companies established or to be established in the Greek territory.

c) the principles and procedures applicable to setting and collecting railway infrastructure charges and the allocation of railway infrastructure capacity

the basic provisions of these laws are as follows:

Settlement of real estate property

Under Article 6 of the Law 3891/2010, the entire real estate property of OSE, including real estate and railway infrastructure, may be automatically transferred to the State, following the publication in the Government Gazette of the relevant Joint Ministerial Decision of the Ministers of Finance and Transport Infrastructure and Networks. From the aforementioned transfer, the State, through its relevant departments, undertakes the responsibility to ensure the expansion of the rail network, which constitutes the National Railway Infrastructure, by acquiring the necessary real estate properties and making them available for this specific objective. Untill the reporting date of the current Financial Statements, the relevant joint ministerial decision has not been issued.

Debt settlements

By a joint Ministerial Decision of the Ministers of Finance and Infrastructure, Transport and Networks, following the issuance of the European Commission's decision regarding OSE's State aid issues, OSE's debts to the State are deleted, there can be defined the assumption of OSE's debt towards third parties by the State, the write off of these debts from the financial statements of OSE and the specialization of procedures for establishing, clearing, certifying and assumption of debts, as well as any other necessary details (in accordance with Article 13 "Debt Settlements" of Law 3891/2010, as applicable).

The company is in the process of implementing the provisions of the aforementioned law. As a result, at the date of preparation of the financial statements, there were significant matters concerning the amounts of Assets and Liabilities remaining in the Company and the Group, so that the effect of these changes on the financial position and the asset structure of the Company and the Group can not be determined.

Concerning the above matter, the decision of the European Commission's Directorate-General for Competition, which is discussed below, is also relevant.

Rolling stock transfer

On October 17, 2015 with the Joint Ministerial Decision No. 337 (Government Gazette 829 / 29.3.2016), a contract of "Assumption Agreement" was signed with the Greek State towards Eurofima. As from January 1st 2016, OSE no longer enjoys any right arising from finance lease agreements with Eurofima, thus Rolling Stock with a carrying value of 210.5 million and a corresponding loan balance of € 319 million on 1/1/2016 were recognized in the income of the previous period.

With the publication of the Joint Ministerial Decision No Φ35 / οικ.62786 / 3165 / 22.10.2015, the active rolling stock referred to in the relevant decision was transferred by OSE to the Greek State. OSE's debt to the State will be reduced by an equal amount to the carrying amount of 187.8 million of the transferred rolling stock at the date of the transfer. If the determination of the market value of the transferred rolling stock reveals a deviation from its book value, the amount of the omitted debt of OSE SA to the State will be adjusted in order to equate the market value of that rolling stock.

On 14/4/2014, in accordance with the Joint Ministerial Decision No Φ35 / ΟΙΚ.23084 / 1822, active rolling stock of € 315.1 million was transferred from OSE to the Greek State. OSE's debt to the Greek State was reduced by an equal amount. Issues related to the receipt of rolling stock, the responsible for receiving bodies, the storage facilities, the status of the rolling stock being transferred and the technical and financial assessment of the rolling stock for the purpose of determining its market value, will be determined by a new decision of the competent Ministers to be issued in accordance with the provisions of article 8 of Law 3891/2010 as applicable. If the determination of the market value of the transferred rolling stock reveals a deviation from its book value, the amount of the omitted debt of OSE SA to the State will be adjusted in order to equate the market value of that rolling stock.

European Commission decision regarding the restructuring measures for OSE

- The Directorate-General for Competition of the European Commission (DG Comp) conducted an investigation into any illegal state aid to the OSE.

  On 9/2/2011, the Greek authorities notified the Commission of a number of support measures for OSE. Then there was a relevant correspondence that lasted until April 2017. In a letter sent in February 2017, general information about the company was requested, such as key financial data for the period 2011-2016, changes in equity / liabilities, key financial data on railway infrastructure, information on the number of employees per activity, separation of accounts and the transfer of activities not related to the railway infrastructure. In addition, clarifications were requested on the compatibility of the aid granted to OSE with Article 107 (3) (b) of the Treaty. Detailed information on the above was provided by OSE in its reply letter of April 2017.

- The European Commission with its decision C (2017) 3987 of 16 June 2017 on the above file S.A. 32543 (2011 / N), for a number of reasons as analyzed, concluded that there is no State aid issue to OSE. Analytically :

  (a) The write-off of debt as it will be formed until the write-off date, the transfer of 757 employees of the infrastructure manager and the annual grants awarded after 22 October 2014 do not constitute State aid.

  (b) Will not object to the transfer of 217 officials and to the annual grants awarded to OSE between 2 May 2011 and 22 October 2014, which constitute State aid, on the grounds that they are compatible with European State aid law in accordance with Article 107 (3) (b) of the Treaty on the Functioning of the European Union.

Company of Public Holdings

On May 22, 2016, the Greek Parliament voted the draft law, in which, Article 197 provides for the establishment of the Public Participation Company ("EDIS") with the purpose of State holdings in public enterprises, the professional management and the increase in the value of holdings and exploitation in line with OECD best practices and guidelines, in terms of corporate governance, corporate compliance, supervision and transparency of procedures, and in accordance with the best practices on socially and environmentally accountable entrepreneurship and consultation with parties interested in the public enterprises. On the date of the registration of the statutes of EDIS at GEMI, the shares of the public enterprises listed in Annex D, which is an integral part of the law, are transferred automatically and without consideration to EDIS. OSE is included in Annex D companies. Until the approval of the interim financial statements by the Board of Directors of the Organization, the share transfer procedure has not been completed.

33. Post Reporting Period Date Events

By decision No. 45496/2336 / 12.9.2017 of the Ministers of Finance and Infrastructure, Transport and Networks, published in the Government Gazette B3182, following the aforementioned decision of the European Commission (see Key Facts) regarding the state aid issues of TRAINOSE , a debt of € 692 million of TRAINOSE to OSE is deleted. The Organization made a corresponding provision for impairment of its receivables. Regarding the OSE's debts to the State, the relevant Joint Ministerial Decision is still pending.

34. Approval of Interim Financial Statements

The Corporate and Consolidated interim Financial Statements for the ended period were approved by the Board of Directors of HELLENIC RAILWAYS ORGANIZATION S.A. on September 29, 2017.

Athens, September 29, 2017

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER
GEORGIOS APOSTOLOPOULOS	KONSTANTINOS PETRAKIS
CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT & TRANSACTIONS DIRECTOR
Digitally signed by PETROS AVOURIS	Digitally signed by IOANNIS SERDARIS
PETROS P. AVOURIS	IOANNIS A. SERDARIS

VASILEIOS KONTARINIS

Digitally signed by VASILEIOS KONTARINIS
Date: 2017.10.10 08:30:37 +03'00'