



#### Analysts Presentation June 2012





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The management has adopted modern technology to control all applications for even better water quality as well as improvement of sewerage treatment.



With respect to the environment and the water resources the management's main target is the protection of the Thermaikos bay.









- O Constant improvement of the provided services
- Secure provision of excellent quality drinking water
- OOO Efficient environmental protection
- Improvement of the company financials











The Company Strategy focuses upon the fulfillment of its obligations as a Public Utility Company in conjunction with its shareholders wealth increase











Pan European Study based on the consumer attitude on water issues

Aim: The definition of today's lags and future priorities in water management

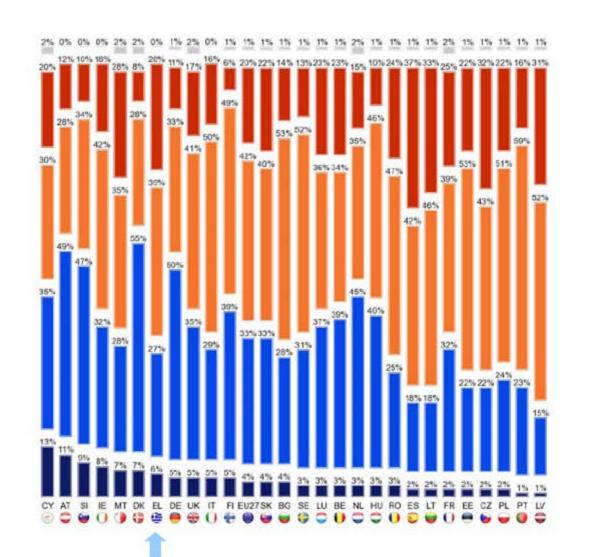
#### Target of the questionnaire:

- The level of knowledge in water issues
- The seriousness of the problems and the changes in water quality
- Opinions concerning the human operation in the water quality.
- The main threats in water quality
- The pricing policy
- The most efficient methods in problem solving
- Legislation that must be adopted from EU

Source: http://ec.europa.eu/public\_opinion/index\_en.htm







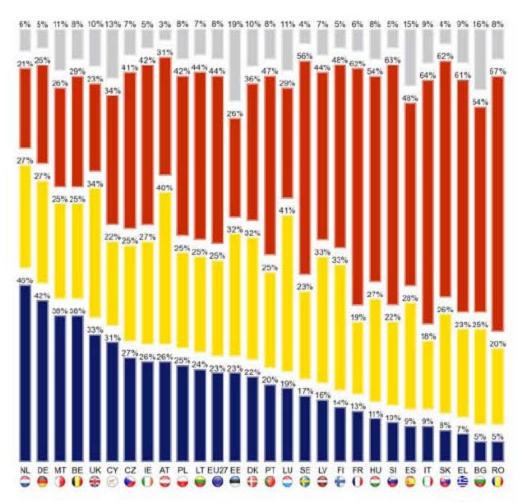


Paneuropean decrease by 6% from the 2009 levels in the 'Very Good' category



### Changes in the Water Quality •••







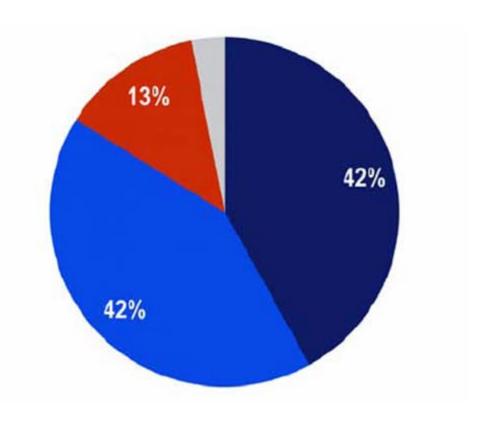
The majority believes that either improved or stayed the same

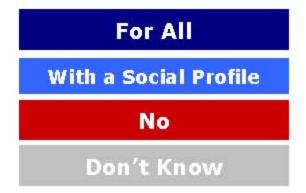




### Single Pricing Policy • • • •



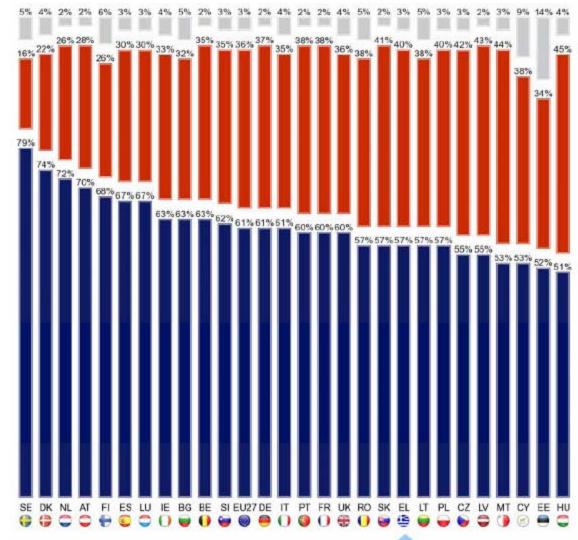






### Pricing Policy with an Environmental effect • • • • •





**Agreed** 

**Non Agreed** 

Don't Know



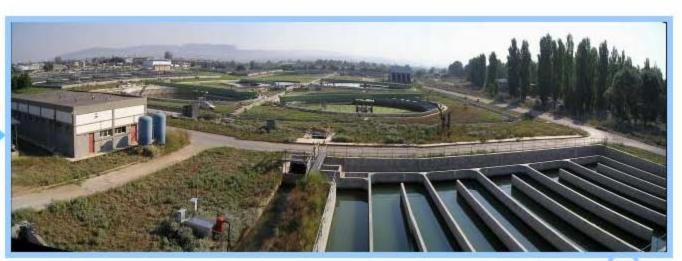




#### EYATh S.A.

- O O In progress is the Investment Plan 2007-2011 of total value € 93.7 mil.
- Oo Design and Implementation of the new Investment Plan 2012-2016
- Expansion of the customer base
- Telecom services through the pipes network & facilities
- Exploitation of renewable resources for energy production







### 



- Main axis for strategy planning remains the sustainability in growth as well as the choices for humanity
- Combination of business operations and social responsibility
- Provision of high level water and sewerage services with the minimum possible cost
- Protection of the water sources and provision of excellent water quality
- Protection of the environment
- Zero pollution of the Thermaikos Gulf



### 2011 Important Facts • • • • •



#### Design and implementation of the following:

- Upgrade of the Sewerage Treatment Plant in cooperation with the Greek Development Bank as a management body of the Sindos Industrial Area
- Electronic monitoring of the Water and Sewerage Network for the precise estimation of operation and maintenance
- Gradual replacement of water meters in order to ensure precise recording of the water consumption
- Based on the target to widen up the company operations, the ability to explore the sewerage network with the installation of optical fibers is examined, for the provision of electronic services







### 2011 Important Facts • • • • • •



#### Outcome of the management policies:

- Audit and composition of budgets during 2010-2012 with accounts cross checking
- Completion of previous years liabilities
- Improvement of infrastructure and facilities
- Management of the biological treatment product and removal of 17 th. tones of dried sludge fro immediate use in agriculture.









- Planed construction of the 2<sup>nd</sup> Branch of the Central Sewerage Treatment Plant of Thessaloniki (€44 mil.)
- Planed construction of the Water Treatment Plant Extension in Thessaloniki (€36.5 mil.)
- Preparation of relevant study for investigation of possible ways for exploitation of sludge in conjunction with the product of the heating plant already in opearation.









- Reuse of treated liquid sewerage in agriculture
- Enforcement of the production plant for biogas treatment from sludge and exploitation of its energy source it possesses
- Exploitation of the sewerage network with the installation of optic fibers network for the provision of telecom services
- Modernization of infrastructure and technological upgrade
- Expansion of activities in Northern Greece and the Balkan area









# 250,000 m³ average daily water production **510,000** customers-consumers Water 2,200 th. pipe network length > 120 sqm. service area > 175,000 m<sup>3</sup> average daily sewerage treatment > 1,700 th. total network length Sewerage **510,000** customers-consumers 637 sqm. service area





#### EYATh fixed Assets

**EYATh S.A.** 

Raw water conveyance system:

112 Facilities



**45** Storage Tanks

Water Treatment Quality Control **Pipes Network** 

- In July '01, E.Y.A.Th. Fixed Assets signed a 30 years exclusive agreement with E.Y.A.Th. S.A.
- E.Y.A.Th. SA purchases unprocessed water from E.Y.A.Th. FA securing customer needs

EYATh S.A. focuses upon:

- → Maintenance,
- Service,
- → Renovation,
- Leaks Decrease and
- → Existing Network improvement





#### 



- Company turnover reached €75.4 mil. in 2011 from €71.2 mil. in 2010 making an increase of 6%
- Costs of water sold reached €42.9 mil. in 2011 from €44.9 mil. in 2010 making a decrease of 4.46%
- Gross profit reached €32.5 mil. in 2011 from €26.3 mil. in 2010 making an increase of 23.65%
- Earnings before tax reached €26.1 mil. in 2011 from €20.9 mil. in 2010 making an increase of 24%.
- Earnings after tax reached €20.6 mil. in 2011 from €12.4 mil. in 2010 making an increase of 66%.
- EBITDA reached €28.8 mil. in 2011 from €24.8 mil. in 2010 making an increase of 16%
- Cash and equivalents reached €23.1 mil. in 2011 from €14.4 mil. in 2010 making an increase of 61%.
- Bank debt reached €0.6 mil. in 2011 from €1.2 mil. in 2010 making an increase of 50.1%



### Financial Results 2011 ••



- The company turnover came mainly from sales of water and sewerage services.
- The turnover increase is mainly due to pricing adjustment in the levels of 2010.
- The increase of Net Earnings is due to the turnover increase, the further on decrease of the operating expenses and the decreases in tax expenses given that the previous fiscal year was burdened with the one off tax expenditure and from the provision for tax differences from the tax audit as was completed last August.



### Income Finances 2011 • • • •

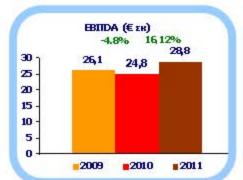


|                    | 2011    | 2010    | Difference |
|--------------------|---------|---------|------------|
| umover             | 75,400  | 71,182  | 5,93%      |
| ost of Water Sold  | 42,876  | 44,878  | -4,46%     |
| arnings Before Tax | 26,008  | 20,878  | 24,57%     |
| amings After Tax   | 20,595  | 12,402  | 66,06%     |
| Gross Profit       | 32,524  | 26,304  | 23,65%     |
| BITDA              | 28,792  | 24,83   | 15,96%     |
| quity              | 124,653 | 108,196 | 15,21%     |
| ash and Equivalent | 23,159  | 14,364  | 61,23%     |

- → Decrease of cost of sales due to rational management of production costs
- → Equity position increase

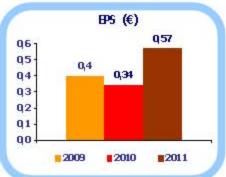














## Balance Sheet 2011 •••



|                    | 2011    | 2010    |  |
|--------------------|---------|---------|--|
| (€ th.)            |         |         |  |
| Assets             |         |         |  |
| Non Current Assets | 90.973  | 92.310  |  |
| Current Assets     | 89.033  | 75.232  |  |
| Total Assets       | 181.542 | 167.542 |  |
| Equity             | 124.653 | 108.196 |  |
| Debt               | 56.890  | 59.346  |  |
| Total Liabilities  | 181.542 | 167.542 |  |





|                            | 2011    | 2010    |
|----------------------------|---------|---------|
| (€ th.)                    |         | 1       |
| Operating Activities       | 16.954  | 9.398   |
| Investing Activities       | - 3.453 | - 4.984 |
| Financing Activities       | - 4.707 | - 5.217 |
| Cash - beginning           | 14.364  | 15.166  |
| Cash - end                 | 23.159  | 14.364  |
| Cash - increase / decrease | - 8.795 | - 802   |
|                            |         |         |



## Financial Ratios 2011 • • • •

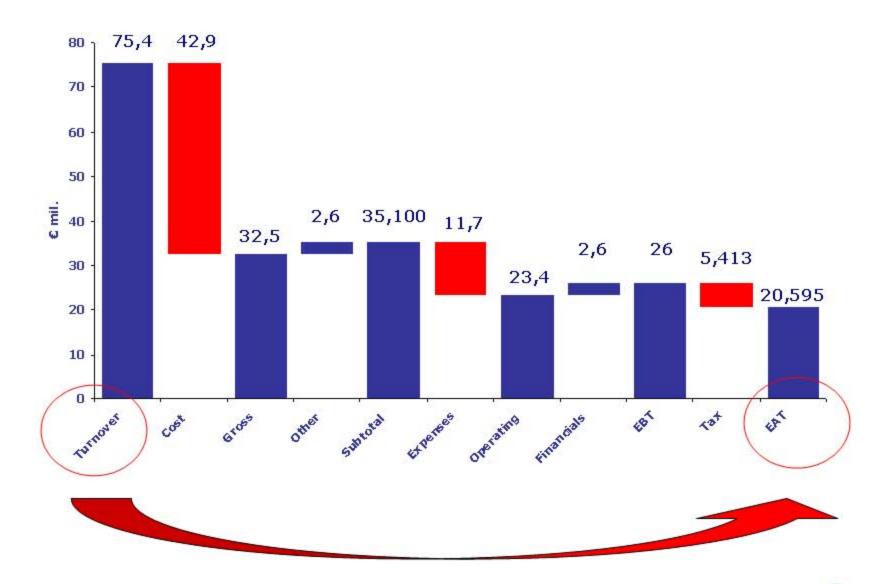


|                         | 2011    | 2010    | 2009    | 2008    |
|-------------------------|---------|---------|---------|---------|
| Productivity Ratios     |         |         |         |         |
| Gross Profit Margin     | 43,14%  | 36,95%  | 39,19%  | 40,97%  |
| EBIT                    | 31,06%  | 26,71%  | 26,57%  | 26,82%  |
| Capital Return Ratios   |         |         |         |         |
| ROE                     | 20,86%  | 19,30%  | 21,96%  | 24,11%  |
| ROA                     | 14,33%  | 12,46%  | 13,99%  | 14,85%  |
| Liquidity Ratios        |         |         |         |         |
| Liquidity               | 2,76%   | 2,18%   | 2,28%   | 2,02%   |
| Capital Structure Ratio |         |         |         |         |
| Equity / Debt           | 219,11% | 182,32% | 175,52% | 160,31% |
| Investment Ratio        |         |         |         |         |
| EPS                     | 0,57    | 0,34    | 0,40    | 0,42    |



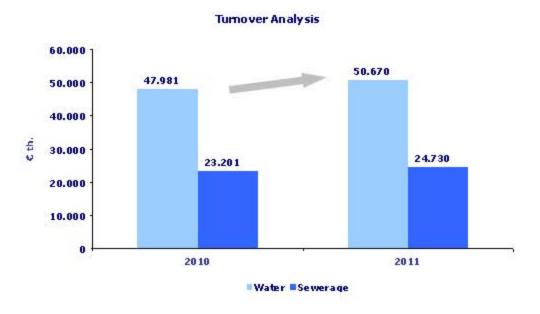
### **Turnover Evolution 2011 •••**

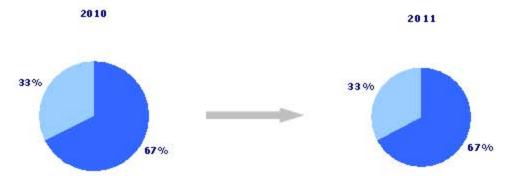






## **Turnover Analysis •**• •

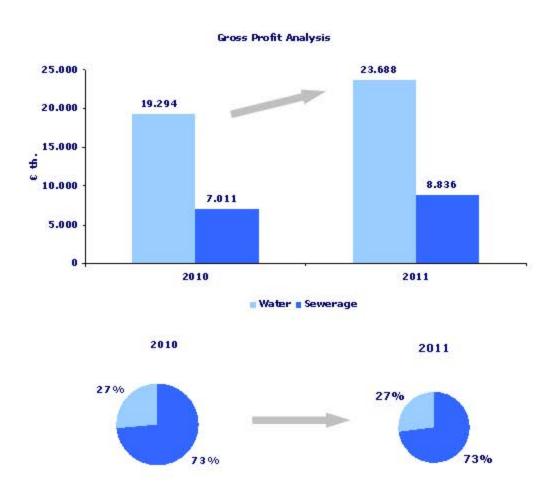




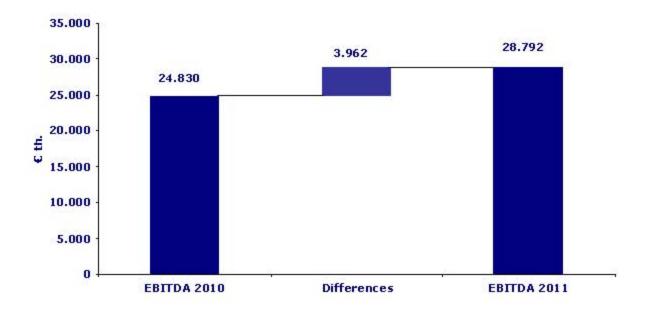


## **Gross Profit Analysis •**• •









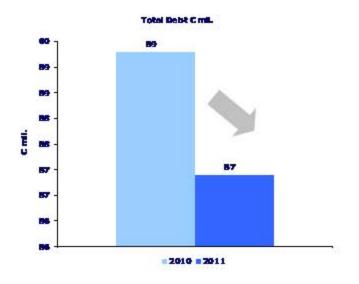
ightarrow 416% decrease in the level of EBITDA in 2011 compared to 2010

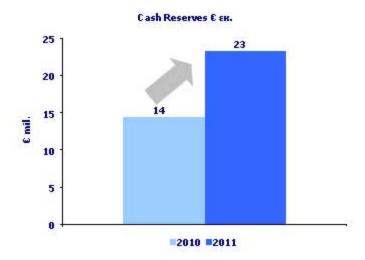


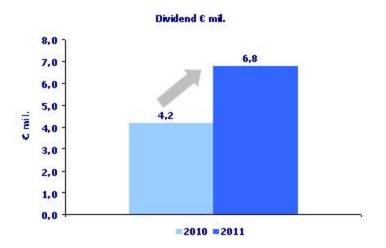
## Cash Position •00





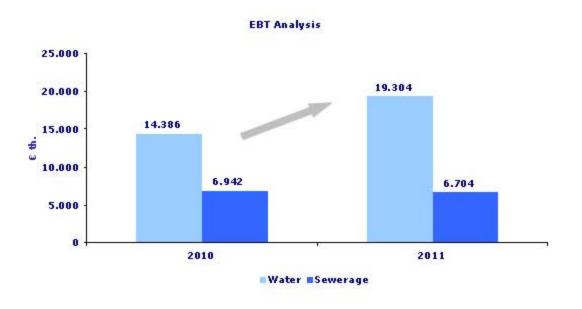


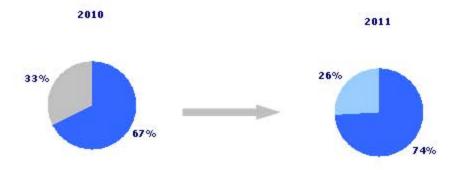






## EBT Analysis •••

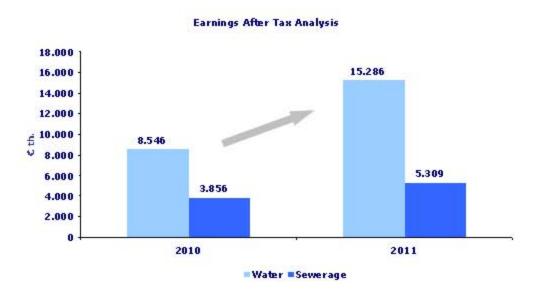






### **Earnings After Tax Analysis •••**

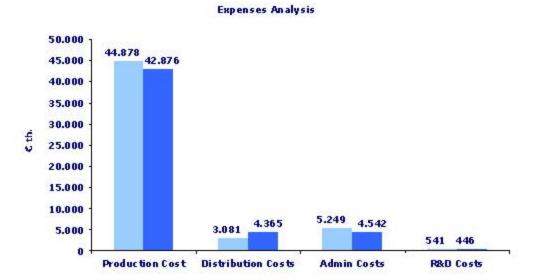


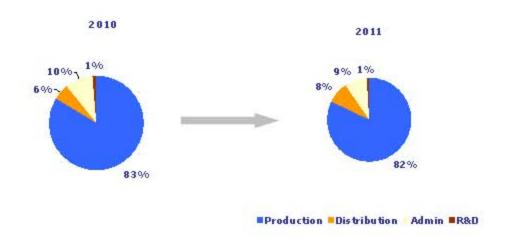






### **Expenses Analysis •00**



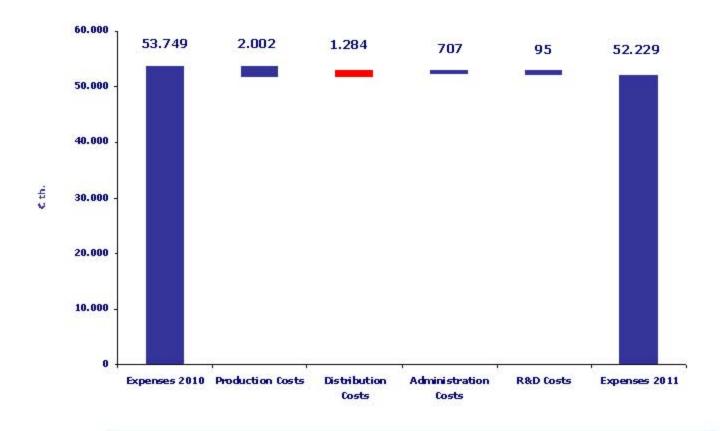


2010 2011



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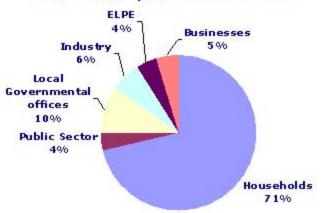
→ 4.46% expenses decrease in 2011 compared to 2010



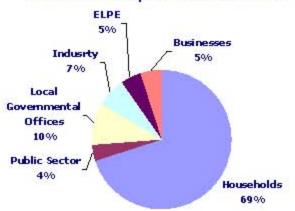
# Consumption distribution • • • • •







#### Water Consumption Breakdown 2010



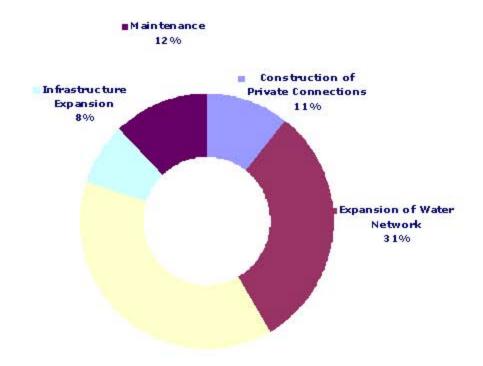
|                   |      | •    |         |
|-------------------|------|------|---------|
| sqm. (mil.)       | 2011 | 2010 | 0/0     |
| Households        | 43,4 | 43,4 | 0,00%   |
| Public Sector     | 2,4  | 2,4  | 0,00%   |
| Public Sub Sector | 6    | 6    | 0,00%   |
| Industry          | 3,9  | 4,2  | -7,14%  |
| ELPE              | 2,5  | 2,9  | -13,79% |
| Businesses        | 3    | 3,1  | -3,23%  |
| Total             | 60,8 | 62   | -1,94%  |
|                   |      | _    |         |



# **Analysis of Completed Works •**



#### Works Completed in 2011



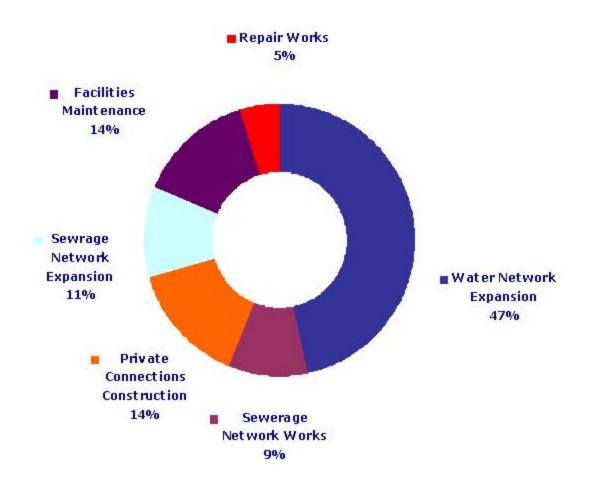
Urgent Sewerage 38%



### Analysis of Works in Progress • • • • •



#### Works is the process 2011







- Turnover reached €19.3 mil. in the 3M 2012 from €19.6 mil. in 3M 2011 a decrease of 1.63%.
- Cost of goods sold reached €10.4 ml. in 3M 2012 from €10.7 mil. in 3M 2011 which is a decrease of 2.25%.
- Ooo Gross profit reached €8.8 mil. in 3M 2012 from €8.9 mil. in 3M 2011 a decrease of 0.90%.
- Operating income reached €7.1 mil. in 3M 2012 from €6.8 mil. in 3M 2011 succeeding an increase of 4.9%.
- Earnings before taxes reached €7.9 mil. in 3M 2012 from €7.3 mil. in 3M 2011 succeeding an increase of 8.2%.
- Earnings before tax reached €6.3 mil. in 3M 2012 from €5.5 mil. in 3M 2011 succeeding an increase of 12.8%.
- Compare the state of the st

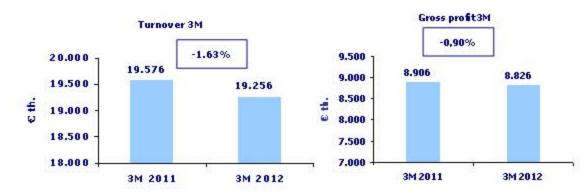


#### Consolidated Results 3M 2011 • • • •



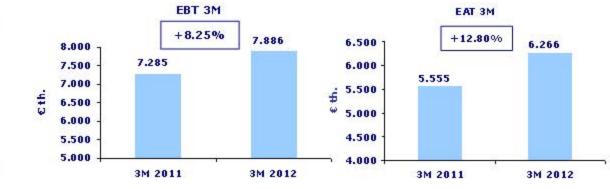
#### Consolidated Financial Results (€ th.)

|                     | 3M 2012 | 3M 2011 | Change |
|---------------------|---------|---------|--------|
| Turnover            | 19,256  | 19,576  | -1,63% |
| Cost of Goods Sold  | 10,430  | 10,670  | -2,25% |
| Gross Profit        | 8,826   | 8,906   | -0,90% |
| Earnings Before tax | 7,886   | 7,285   | 8,25%  |
| Earnings After tax  | 6,266   | 5,555   | 12,80% |
| EPS                 | 0,1726  | 0,153   | 12,81% |





Earnings per share increase





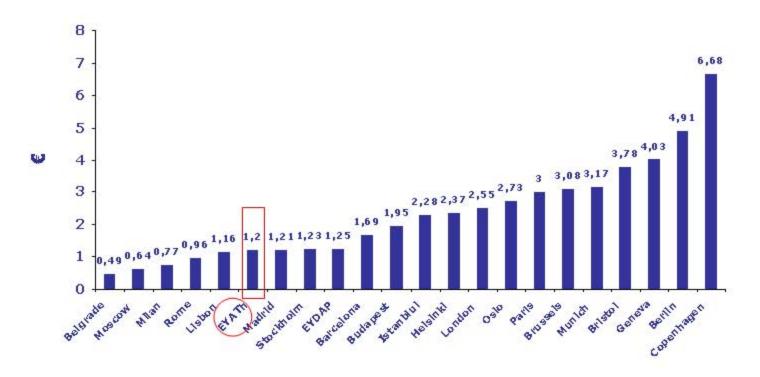
#### Pricing Policy 2007-2011 • • • •



- New pricing policy for 2007-2011 in application since May 2007 concerning water consumers from 1/1/2007 with annual adjustment of costs for water and sewerage services
- 18/11/2008 Water and sewerage pricing freeze for 2009 at the prices of 2008 for the first three scales of consumers and 20% decrease for 2009 for families with more than 3 children
- 30/6/2010 Decision to keep the same household pricing until 31/8/10 and application of the 2010 pricing from 1/9/10
- 4/8/2011 In application for the whole 2011the prices as for 2010.



#### Pricing Policy (€)



Source: Pan European Tariff Survey - GWI/OECD 2009

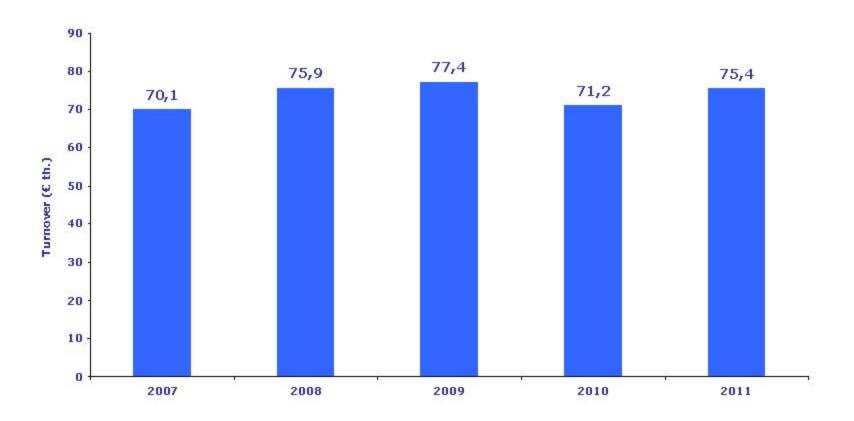


# 5 year Financial Results • • • •

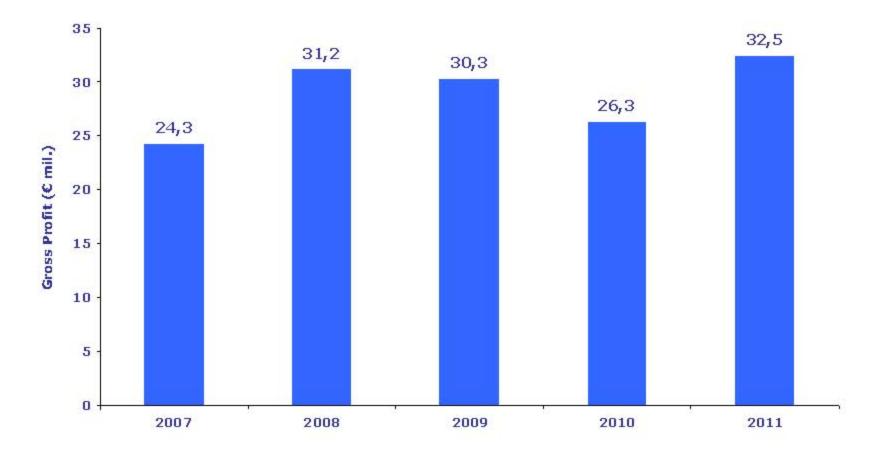


| Results                    | 2007   | 2008   | 2009   | 2010   | 2011   |
|----------------------------|--------|--------|--------|--------|--------|
| Turnover                   | 70.100 | 75.919 | 77.376 | 71.182 | 75.400 |
| Costs                      | 45.757 | 44.693 | 47.054 | 44.878 | 42.876 |
| Gross Profit               | 24.343 | 31.226 | 30.322 | 26.304 | 32.524 |
| Other Income               | 7.188  | 4.037  | 4.748  | 3.406  | 2.635  |
|                            | 31.531 | 35.263 | 35.070 | 29.710 | 35.159 |
| Administrative Expenses    | 7.596  | 7.668  | 7.489  | 5.249  | 4.542  |
| R&D Expenses               | 1.094  | 496    | 314    | 541    | 446    |
| Distribution Expenses      | 3.737  | 3.871  | 5.745  | 3.081  | 4.365  |
| Other Operational Expenses | 2.271  | 2.888  | 962    | 1.826  | 2.389  |
| Operational Profit         | 16.833 | 20.340 | 20.561 | 19.013 | 23.416 |
| Financing Costs            | 653    | 1.660  | 1.533  | 1.865  | 2.592  |
| EBIT                       | 17.486 | 22.000 | 22.093 | 20.878 | 26.008 |
| Investment Income          | 0      | 0      | 0      | 0      | 0      |
| EBT                        | 17.486 | 22.000 | 22.093 | 20.878 | 26.008 |
| Taxation                   | 4.745  | 6.885  | 7.703  | 8.475  | 5.413  |
| Earnings After Tax         | 12.741 | 15.116 | 14.390 | 12.402 | 20.595 |





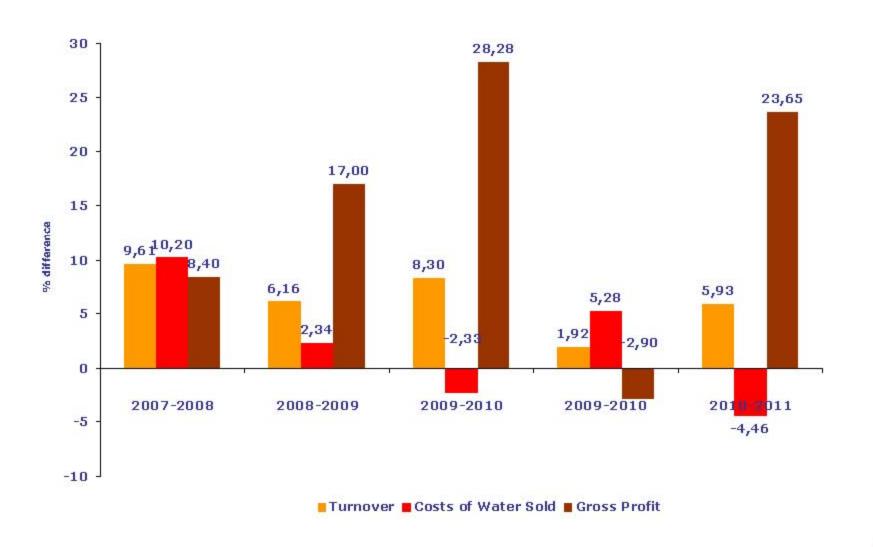






# 5 year Financial Results • • • •

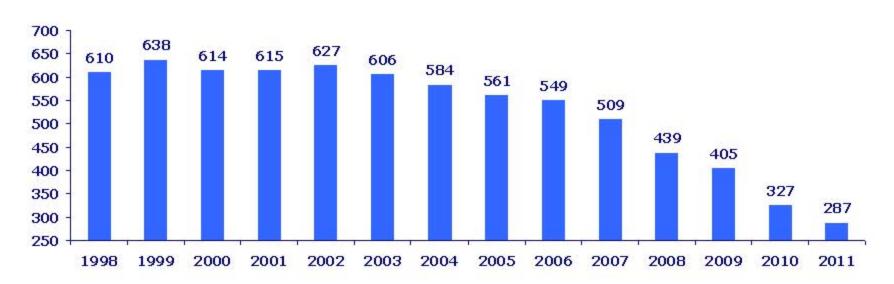




# **EYATh S.A. in numbers •••**



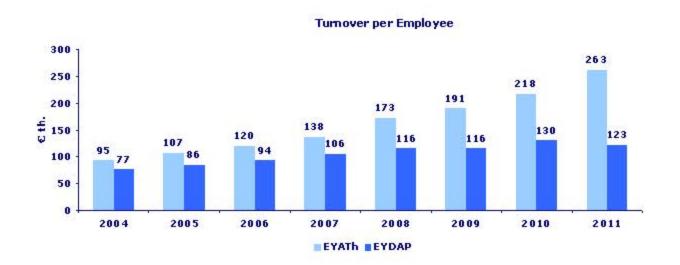




→ 19% decrease in personnel in 2010 compared to 2009

### **EYATh S.A. in numbers ••••**

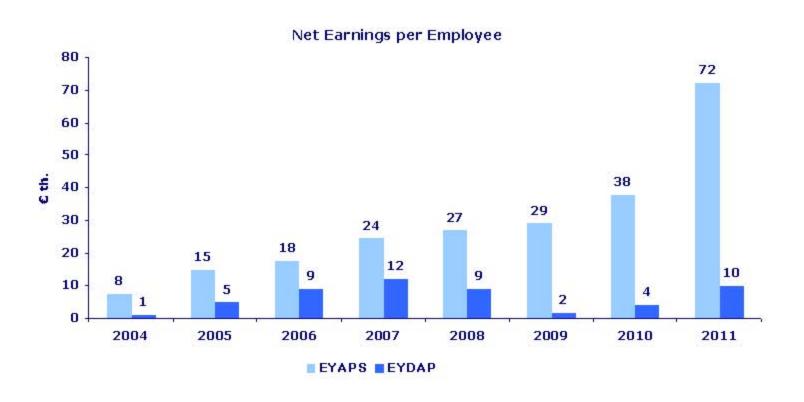




→ 21% increase in the turnover per employee in 2011 compared to 2010

#### **EYATh S.A. in numbers •**





→ 89% increase in the net earnings per employee in 2011 compared to 2010





Established: 1998

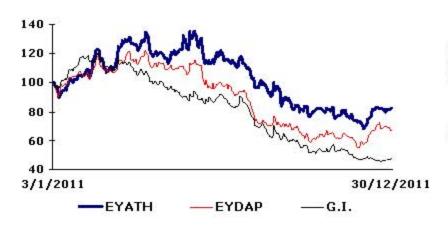
IPO: 2001

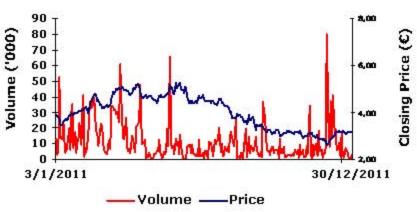
Reuters Code: TWSr.AT

Bloomberg Code: EYAPS:GA

Market Cap. 31/12/2011: € 116.1 mil.

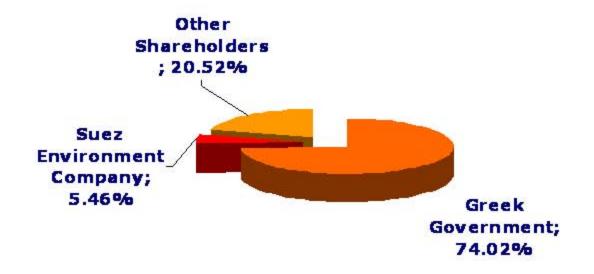
No, of Shares: 36,300,000 ASE Category: Large Cap















| Sector Sector       |             |           |                         |                 |                       |  |
|---------------------|-------------|-----------|-------------------------|-----------------|-----------------------|--|
|                     | Market Cap. | P/E 11(x) | P/E 12(x)<br>estimation | EV/EBITDA 11(x) | Dividend Yield<br>(%) |  |
| EYATh               | € 119 mil.  | 5.8       | 6.8                     | 3.25            | 5.7                   |  |
| EYDAP               | € 331 mil.  | 12.9      | 12.9                    | 6               | 5.5                   |  |
| Pennon Group (UK)   | \$ 2.6 bil. | 15.3      | -5                      | <i>5</i> 4      | 3.4                   |  |
| Acqua America (USA) | \$ 3.1 bil. | 24        | 23.2                    | 12.1            | 2.7                   |  |
| Veolia (France)     | € 5.5 bil.  | 150       | 15.2                    | 9.9             | 6.7                   |  |
| Severn Trent (UK)   | \$ 3.9 bil. | 16.3      | 19.2                    | 8.4             | 4.5                   |  |

Source: Bloomberg





# Strategy - Actions • • • • •

- Strategy which ensures the sustainability of the Company targeting the Customer service and the Environmental protection
- Expansion of the Company's operations to take place initially in the areas the EYATh services and then into new areas
- Automation of facilities with the installation of technically advanced controlled systems and a single operation – administration centre
- > Development of business initiatives on new operations
- Increase of the real value of EYATh S.A. under the acquisition of expertise and superior technology infrastructure



# Co-operation with 'Aquas de Portugal' • • • •



#### Memorandum of intent in order to:

- Investigate the development of joint actions in Northern Greece and the Balkans
- Sharing of expertise and staff training
- > Provision of operational and advisory services in water, sewerage, solid waste and renewable energy applications





# Organic Growth Strategy • • • •



|                     | Targets                                                                                                          | Strategy                                                                                                                                                                                                       |
|---------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water Supply        | <ul> <li>→ Efficient Resource<br/>Management</li> <li>→ Network Modernisation</li> </ul>                         | <ul> <li>→ Investments improving capacity</li> <li>→ Use of alternative water resources</li> <li>→ Optimization of Quality Control</li> <li>→ Implementation of exquisite technological methods</li> </ul>     |
| Sewerage<br>Network | <ul> <li>→ Geographical Network         Expansion</li> <li>→ Protection of the Thermaikos         Bay</li> </ul> | <ul> <li>→ Sewerage network construction</li> <li>→ Subsequent maintenance and precaution program</li> <li>→ Implementation of environmental friendly technologies</li> <li>→ Anti flood protection</li> </ul> |



# **Organic Growth Strategy •••**



|             | Targets                                 | Strategy                                                                                                                                     |
|-------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
|             | → HR programs                           | <ul> <li>→ Seminars – Conferences</li> <li>→ Training Programs</li> </ul>                                                                    |
| Operational | → Client Service                        | <ul> <li>→ Client Satisfaction rating system adoption</li> <li>→ Electronic client support and communication network upgrade</li> </ul>      |
| Restructure | → Cost Management                       | <ul> <li>→ Upgrade &amp; control of the production and management costs</li> <li>→ Implementation of Analytical Accounting System</li> </ul> |
|             | → Admin & Productivity<br>Reinforcement | → Upgrade of IT systems                                                                                                                      |



**New Business** 

Units

#### Non Organic Growth Strategy • • • •



#### **Targets**

- **Customer Base Expansion**
- New services based on EYATh's competitive advantages and existing client base

#### Strategy

- Expansion into municipalities beyond exclusive jurisdiction
- Strategic Alliances
- Energy
- Telecoms
- Implementation of modern methods in network construction & maintenance







| STATEMENT OF INVESTMENTS 2077-2011 |                                                                      |                 |               |               |               |               |
|------------------------------------|----------------------------------------------------------------------|-----------------|---------------|---------------|---------------|---------------|
|                                    | DESC RIPTION                                                         | 2007            | 2008          | 2009          | 2010          | 2011          |
| 1                                  | Buildings                                                            | 335.064,67      | 465, 403, 36  | 0,00          | 0,00          | 0,00          |
| 2a                                 | Machinery - technical facilities &<br>Other mechanological equipment | 256.211,87      | 125, 305, 97  | 142, 205, 70  | 759, 200, 07  | 664,109,04    |
| β                                  | Water meters                                                         | 575.700,67      | 924.146,09    | 280, 298, 40  | 128,586,01    | 114,950,44    |
| 3                                  | Transportation                                                       | 0,00            | 4.865,95      | 0,00          | 0,00          | 0,00          |
| 4                                  | Furniture & Other                                                    | 193.207,02      | 441.486,74    | 306.516,68    | 116,552,52    | 137.374,43    |
| 5                                  | Pipes & Technical facilities of<br>water network                     | 4. 683. 776, 70 | 3,475,380,79  | 3,604,693,41  | 2.540,830,35  | 2,698,163,78  |
| 5                                  | Pipes & Technical facilities of<br>sewerage network                  | 4,517,404,79    | 3,913.417,83  | 3.101.196,74  | 3.263.220,01  | 2,247,701,52  |
| 7                                  | Network maintenance                                                  | 11.143.004,24   | 9,387,363,26  | 9,879,692,10  | 10.216.785,64 | 11.698.814,67 |
| 8                                  | R&D expenses                                                         | 752,632,49      | 246.351,13    | 186,281,76    | 16.413,13     | 139, 358, 35  |
| 1                                  | TOTAL                                                                | 22.457.002,45   | 18.983.721,12 | 17.500.884,79 | 17.041.587,73 | 17.700.472,23 |

93.683.668,32

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TOTAL EXPENDITURE CONCERNING INVESTMENTS &

MAINTENANCE OF FIXED ASSETS





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