

WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.



Quality of life

Annual Bulletin
on the fiscal year 2007
Thessaloniki, June 2008



Quality of life

ANNUAL BULLETIN

JUNE 2008

**Letter to the shareholders by the Chairman of the BoD and Managing Director Dr.
Skodras Georgios and the 1st Co-Chairman of the BoD Mr. Pavlos Smyris**

Nowadays, in an ever changing environment, the need to establish the conditions necessary to ensure us adequate and expedient amounts of water, this fundamental source of life, for both current and future usage, by congruous sustenance and administration of the water resources and our surroundings, seems more urgent than ever.

EYAΘ SA, ever since its foundation and initiation of operations on November 3rd 1998 has resolved many of the significant problems in the field of both water supply and sewerage. All of us in anguish aim at the optimization of the rational administration of the water resources as well as at the efficient function of the water supply and sewerage networks, the pump rooms and the potable water and sewerage processing facilities.

The sustenance of the high quality of the water always constitutes our main priority, and this is where the daily controls and the research conducted by EYAΘ SA aim at. As far as quality is concerned, the ISO Quality Certificate has been awarded to the Chemical Laboratory and the Laboratory of Water Flow Indicators, while efforts have been made to certify, gradually, the whole range of the company's activities.

EYAΘ SA throughout the previous year has stepped forward in the fields leading to its more efficient operation and improvement of its corporate performance. The fruits of all these effort are also revealed in the business gains of 2007. The continuous attempt for the improvement of the quality of the services provided as well as limitation of output cost, in combination with the development of new business initiatives constitute the new vaulting horse for an even more dynamic course towards the development of the Company in near future.

Dr. Skordas I. Georgios
*Chairman of the Board of Directors
& Managing Director*

*Professor of the Aristotle
University of Thessaloniki, Mr. Pavlos Smyris*
*1st Co-chairman of the BoD
of the BoD*

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INFORMATION CONCERNING THE DRAWING UP OF THE BULLETIN

The present Annual Bulletin comprises all the information and financial data necessary for the correct evaluation, by the investors of the holdings, of the financial condition, the profits and the prospects of EYAO SA (henceforth The Company).

The drawing up of the present Bulletin has been conducted in compliance with the provisions of the standing law, and more specifically in compliance with what is provided for in Article 8 of the 5/204/14-11-2000 decree of the Capital Market Committee, as it was amended by the 7/372/15-2-2006 decree of the Board of Directors of the Capital Market Committee and the relevant sections of Annex A of Decree-Law 348/85. The data comprised are true, accurate, complete, correct and explicit.

All the information in Article 10 of L. 3401/2005 concerning the Company, its shares and the purchase of movables, to which its shares are being negotiated, which (information) the company has publicized and made available to the public during the operation period 2006, applying the law, are available in its site www.eyath.gr in the corporate announcements in the "Stock Exchange" option at the site www.eyath.gr. In addition, the annual financial statements, the auditors' certificates and the Board of Directors reports, which are attached to the unified financial statements, are being set up. Finally, the Company declares that no exchanges have been conducted by any entity liable according to Article 13 paragraph 11 of L. 3340/2005 3340/2005 and thus no relevant notifications have been released.

The shareholders and the investors interested for further information on work days and hours can refer to: Shareholders Service & Corporate Announcements, 98 Tsimiski street - 546 22 Thessaloniki (information: Ms. Theodora Diamantopoulou), tel. (2310 286-613 & FAX: 2310 250642). The person competent for the drawing up and the accuracy of the information included in the Bulletin is Mrs. Niobe Vassiliadis, Financial Manager of EYAO SA.

All the Managers of the Company have provided the information each one of his/ her own field of competency, for the full representation of the basic activities and operations of the Company.

The Board of Directors declares that all of its members have taken cognizance hereof and along with its writers they declare that all the information and data included are complete and true.

There are no other data available and no other facts have taken place, the encryption or omission of which could render inaccurate the whole or part of the information and data.

No legal disputes or arbitrations are pending against EYAΘ SA any judicial disputes or arbitrations, which could significantly effect its Financial Condition, except of those referred to in the Auditors Report.

CHAPTER A'

GENERAL INFORMATION

MISSION OF THE COMPANY

REGIONS COVERED BY EYAΘ SA & ITS EXPANSION

GENERAL INFORMATION

The company with the name "Water Supply and Sewerage Systems Co. of Thessaloniki S.A" and the discreet title EYAΘ (henceforth the Company or EYAΘ SA), was founded in 1998 (Law 2651/3.11.1998 (Official Gazette of the Hellenic Republic A' 248/2.11.1998) and emanated from the fusion of the Joint Stock Companies "Water Supply Organization of Thessaloniki SA" (O.Y.Θ. SA) and "Sewerage Systems of Thessaloniki SA (O.A.Θ. SA). On 25 June 1997, the transformation of the public legal entities O.Y.Θ. and O.A.Θ. in anonymous companies preceded. It is listed in the ATHENS STOCK EXCHANGE SA. It is governed by the provisions of R.L. 2190/1920, "On Joint Stock Companies" (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 135 V. A') as well as by the provisions of Law 2937/2001 Chapter B' (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 169/ V. A'), as well as by Law 3016/2002 as it was amended by L.3091/2002. It is supervised by the Ministries of Economy and Finance and of Macedonia – Thrace, while its life was set to ninety nine (99) years from 3 November 1998, i.e. up to 3 November 2097. Its Memorandum of Association was approved by virtue of the no. ΕΓΑ/606/26-7-2001 (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 989/30-7-2001) decree and is registered in the Register of Joint Stock Companies (M.A.E.) under the number 41913/06/B/98/32. The seat of Company is in the privately-owned building on 127 Egnatias street, in Thessaloniki, P.C. 54635, tel. +30 2310 966600.

The inter-ministerial Committee of Privatisations (Δ.Ε.Α.) by virtue of its 563/17.10.2000 and 605/27.7.2001 decrees, decided the listing of the "Water Supply and Sewerage Systems of Thessaloniki SA" in the Athens Stock Exchange SA, which was realised by selling shares that derived from the increase of its equity capital and the sale of already existing stock owned by the Greek State, which was the exclusive shareholder until then.

The extraordinary General Assembly of the shareholders of EYAΘ SA on the 27.7.2001 unanimously decided on the increase of its equity capital and the listing of its stock in the Main Market of the Athens Stock Exchange SA. To this end, the following were decided:

a) The increase of the Equity Capital of the Company at 511.125.000 Drs (1.500.000 €) by issuing 1.500.000 new common registered shares ("Offered New Shares"), of nominal value

equal to 340.75 Drs (1 €) each, that represented a percentage of 10% of the equity capital of the Company.

b) Resignation of the old shareholder (the Greek State) from the preferential right over the capital increase.

c) The new shares had the right of receiving a dividend from the profits of the financial year 2001.

The New Shares Offered was unloaded by virtue of Public Offering in the general public investors (private individuals and institutional investors) according to the provisions of Decree-Law 350/1985 as it was in effect.

At the same time the Greek State, the unique shareholder of the Company, before the present offering, and aiming at the realisation of the required dissemination, decided the offering of 2.700.000 already existing common registered shares of nominal value equal to 340.75 Drs (1 €) each, that represented a percentage of 16.36% of the equity capital of the Company, as it was shaped after this increase of its equity capital.

By the whole amount of 2.700.000 shares owned by the Greek state, the 2.500.000 shares was offered in the general public investors (private individuals and institutional investors) by virtue of Public Offering, while the rest 200.000 shares was unloaded by virtue of Private Placement to the personnel employed by an unlimited contract and the members of the BoD of the Company, at a price about 20% lower than that of Public Offering, that was determined by the process of the Quotation Book.

The number of the shares unloaded by virtue of Private Placement (200.000 shares) corresponded to the 5% of the total number of shares that was unloaded by virtue of Public Offering. The unloading of the total amount of Private Placement as well as the payment of the corresponding sum and the notification the above mentioned to the Athens Stock Exchange SA took place before the beginning of the Public Entry, in compliance with Article 3 of the Decree-Law 350/1985, as it was in effect.

The shares unloaded by virtue of both Public Entry (new and already existing ones) and Private Placement (4.200.000 shares) corresponded to the 25.45% of the total number of the shares of the Company that resulted after the increase of the equity capital, in compliance with Article 3 of the Decree-Law 350/1985, as it was in effect.

The Board of Directors of the Company was empowered by the General Assembly of the shareholders, acting to the interest of the Company, to take all the necessary actions with regard to the listing of its stock in the Main market of the Athens Stock Exchange.

Before the present offering, the Greek State possessed the 100% of the equity capital of the Company. After the Combined Offering, the rate of participation of the Greek state will reach the 74.55%.

On entering the Stock Exchange, in compliance to Article 22 of L. 2937/26-7-2001, the main part of the Assets of the EYAΘ SA was transferred to the ownership of the newly established

public legal entity under the name “EYAO of Assets (Παγίων)” without any exchange. By virtue of a 30-year contract, signed on 27-7-2001 among the Greek State, EYAO Παγίων and EYAO SA, the later was granted the exclusive right to supply water and sewerage services in the geographic area of its competency. By virtue of the same contract, EYAO Παγίων is obliged to supply EYAO SA the necessary amounts of water, on a determined price, in order the latter’s customers (consumers) to be served; at the same time, EYAO SA is obliged to see to the prudential use of the water sold as well as to make all the efforts for the greatest limitation of wastage and loss possible, by implementing the water supply network improvement and reconstruction project.

By virtue of the since 30/12/2002 decision of the Extraordinary General Assembly of the shareholders, the equity capital is increased to the amount of one million six hundred and fifty thousands (1.650.000) EURO with the issuing of one million six hundred and fifty thousands (1.650.000) new common registered shares of nominal value equal to one (1) EURO (340.75 Drs) each with:

a) EURO 1.580.015 (One million five hundred eighty thousands fifteen) by the capitalisation of the reserve funds by above par issuing of shares and b) EURO 69.985 (Sixty nine thousands nine hundred and eighty five) by the capitalisation of the surplus value from the readjustment of the value of the real estates on 31/12/2000.

By virtue of the since 29/12/2006 decision of the Extraordinary General Assembly of shareholders the equity capital is increased to the amount of two millions one hundred and seventy eight thousands EUROS (2.178.000) € from the Account “Remainder carried forward” with a corresponding increase of the nominal value of the already existing shares from one (1) EURO to one (1) EURO and (12) twelve cents (381.64 Drs) each.

By virtue of the since 7/11/2007 decision of the Extraordinary General Assembly of shareholders the equity capital is increased to the amount of two millions three hundred and twenty eight thousands EURO (20.328.000,00) €, by means of capitalization of part of the account "Balance of profits carried forward" as it is included in the approved financial statements of 31/12/2006, drawn up on the basis of the IFIS, by issuing 18.150.000 new common registered shares of nominal value equal to 1.12 € each and their free distribution to the shareholders, in proportion of one new common registered share for each one old.

The equity capital of the Company amounts to forty millions six hundred and fifty six thousand (40.656.000) € and it is divided into thirty six millions three hundred thousands (36.300.000) shares of nominal value equal to one euro and twelve cents (1.12) each.

MISSION OF THE COMPANY

The company has as a mission to provide water supply and sewerage services.

More specifically:

- To study, manufacture, install, operate, utilize, manage, maintain, extend and renew the water supply and sewerage systems. The activities and the projects undertaken include the pumping, desalination, treatment, storage, transport, distribution and management to this aims of any kind of waters attributed, as well as the works and activities concerning the collection, transport, treatment, storage and management of any kind of sewages (except the toxic ones) and the treatment, distribution, disposal and management of the products of the sewerage networks
- To utilize the products deriving from the treatment of sewages.
- To provide any kind of telecommunications services, especially via the water supply or sewerage networks.
- To produce, especially by utilizing the water emanating from springs, dams, aqueducts and ducts, as well as the sale of electric power, its owned output.
- To make investments according to what has been determined in the prepared contract with the Greek State.

Further, the Company aims at the rational management of the water resources and the collection and treatment of the urban and industrial sewages. Furthermore, among the aims of the Company there is the completion of the investment program that has been assigned to it for the five-year period of 2002 - 2006, on the basis of the Report at the listing in the Athens Stock Exchange, in such a way, as the investments to be of a legitimate remunerative character, to the profit of both the consumers and the Company as well. Other fundamental operations of the Company, which are also included in the Memorandum of Association, are:

- the provision of water supply services to its consumers via the water supply network
- the provision of sewerage services via the sewerage network, and
- the exploitation of both these services and their networks
- The provision of water supply services includes the supply of potable water of a quality proper for consumption in the households, the municipalities and public uses (e.g. watering of parks), the supply of water for industrial uses and the supply of sufficient quantity of water for fire fighting. This activity was realised by means of a whole range of hydraulic and other works and operations that come under three discreet departments
- External aqueducts and electromechanical installations for the transport of the untreated water
- Water treatment Installations.

- Installations in potable water distribution networks.

The provision of sewerage services includes the collection, via the sewers networks, transport, cleaning in the sewage treatment centres and the disposal in the environment of the liquid urban sewages and industrial wastes of the greater region of Thessaloniki.

The company collects all the necessary quantities of untreated water from 12 underground sources that are mainly found in the western and north part of the city. The main underground sources are in Kalohori, Sindos, Narres, Axios and Arravissos, which along with the Aliakmonas River, provide the biggest quantities of water. The water, via the pump rooms of Dendropotamos, Diabata, Sindos and Ionia is stored in 12 reservoirs and is channelled to the consumers via a network of piping of about 1.730 km long.

For the coverage of its consumers' needs, EYAΘ SA provides nowadays, at maximum, 280.000 m³ and at minimum 240.000 m³ water, daily.

The exploitation of the water supply and sewerage networks includes the measurement of the water consumption, the pricing and cashing of the water supply accounts, the cashing of the sewerage fees, and generally the servicing of its consumers.

The water supplies nowadays amount to about 470.000, a number corresponding to about 1.050.000 individuals. The 99% of the consumers are households, which consume the 2/3 of the priced quantity of water.

The code under which the activities of the Company are registered in the Statistical Classification of the Economic Sectors of the National Statistical Service of Greece (E. Σ.Υ. Ε.) is 41 for the water supply Services, and 90 for the sewerage Services.

REGIONS COVERED BY EYAΘ SA

According to article of 26 of Law 2937/2001, the geographic boundaries of the Company, inside which it can provide its services and practises its activities, are the following:

- AS FAR AS THE WATER SUPPLY IS CONCERNED, the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Efkarpia, Pylaia, Oreokastro, Pefka, Echedoros as well as the industrial zone of Thessaloniki. The Board of Directors of EYAΘ SA by virtue of its 206/16-3-208 decision authenticated the contract for the expansion of the activities of the company to the Municipal districts of Diavata, Kalochori and Sindos in the Municipality of Echedoro, while it is further planned to promote the acceptance and authentication by the BoD of the above mentioned Organization of Local Government and the BoD of the company EYAΘ Παγίων. It is estimated that in early 2009 all the procedure will be implemented (by issuing the relevant Common Ministerial Decree)

concerning the accession of the residents of the Municipality of Echedoros in the water supply system of EYAO SA.

- AS FAR AS THE SEWERAGE IS CONCERNED, the area covered by EYAO SA is divided into five regions

“Region A” includes the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Diabata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pylea, Panorama, Oreokastro, the municipal districts of Ionia and Kalohori of the Municipality of Echedoros and the Community of Efkarpia

“Region B” includes the area stretching between the Gallikos and Axios rivers up to the sea, which includes the industrial zone of greater Thessaloniki, the district of Sindos of the Municipality of Echedoros, the districts of Agios Athanassios, Agchialos and Gefyra of the Municipality of Ag. Athanassios and the districts of Chalastra and Anatoliko of the Municipality of Chalastra.

“Region C” includes the zone of the urban upland of Thessaloniki, i.e. the Community of Pefka and the districts of Asbestochori, Exochi and Filyro of the Municipality of Chortiatis.

“Region D” extends from the Municipalities of Kalamaria and Panorama up to the municipal baths of Sedes and the Mikra airport; it includes the Industrial zone and the Districts of Thermi, N. Redestos, N. Rysio, and Tagarades of the Municipality of Thermi and the District of Agia Paraskevi of the Municipality of Vassilika.

“Region E” extends from the Mikra airport and the districts of N. Rysio and Tagarades of Ag. Paraskevi up to the sea and it includes the Districts of Ag. Triada, Persia, N. Epivates of the Municipality of Thermaikos and the districts of N. Michaniona, Emvolo, Aggelochori of the Municipality of Michaniona.

The company by virtue of a contract signed between the familiar Municipality and E.Y.A.Θ. Παγίων can undertake the already existing network of the Local Authority Organization in one of the above mentioned regions and the obligation to provide water supply or sewerage services in the Municipality concerned

The company by virtue of a contract signed between the familiar Municipality and E.Y.A.Θ. Παγίων and is approved by a joint decree of the Ministry of the State, Public Administration and Decentralization, of Economy and Economics, of Development, of Environmental Planning and Public Works and of Macedonia - Thrace, can expand its operations in a region of the Local Authority Organization outside the above mentioned areas.

Finally, on 3-2-2006, the Board of Directors of EYAO SA by its decision no. 23/2006 approved the integration of the Municipalities of Trilofos, Plagiari and Kardia in the area of its operations, with regard to the sewerage sector.

CHAPTER B'

SUBSTRUCTURES FOR PERFORMANCE

A. WATER SUPPLY SECTOR

The installations, on the basis of its Contract with the Greek State since 27.7.2001, available to or managed by EYAΘ SA is (a) the water consuming works, (b) the external aqueducts with the drillings and the relevant ducts, (c) the pump houses and reservoirs and (d) the distribution network with the ducts and hydrometers.

WATER-BEARING STRATUMS OF WATER SUPPLY IN THE GREATER REGION OF THESSALONIKI

The water-bearing stratum of Paiko

For the water supply of Thessaloniki, EYAΘ SA uses the carstic system of the water-bearing stratum of Mt. Paiko and more specifically the site of its discharge at the springs of Aravissos. The water uptake of the springs of Aravissos includes two wells featuring natural flow, one supply well (pigada) with pumping and 11 drillings for exploitation, which by means of pumping via connected ducts, supply the aqueduct of Aravissos. The supply received from the water uptakes at the region of the springs of Aravissos range between 100.000 - 120.000 m³ per day and it greatly depends on the annual snowfalls and rainfalls.

Aliakmonas River

The reception of water from this river starts at Varvares, about 40 kilometres away from the estuaries of the Aliakmonas River. Via the connecting canal, water is transported by free flow up to the Axios River, about 50 kilometres long. Then, via the siphon of Axios River, of 1.5 kilometres long and a closed duct 8.5 kilometres long, it is transported to the pump house of Sindos. From there, it is pumped, via a duct 4.7 kilometres long to the water treatment installations (refineries).

There, a sophisticated process of cleaning is followed through sedimentation beds, sand, coal filters, ozone treatment, chlorination, etc, ensuring its high quality.

The clean potable water ends up to a reservoir of a 75.000 cubic metres capacity and is distributed via ducts, 36 kilometres long, in the existing water supply reservoirs of Diabata, Evosmos, Polichni, Neapoli, Blatadon, Toumpa and Kalamaria as well as in the Industrial Zone of Thessaloniki.

WATER-BEARING SYSTEMS OF THE WESTERN REGION OF THESSALONIKI

Water-bearing stratum of Kalohori

No drilling is used in the region of Kalohori are used any more due to the adequate amount of water. Moreover, two of them have been granted to the Municipality of Echedoros.

Water-bearing stratum of Sindos

The quantity of the water that can be received from the water-bearing stratum of the region of Sindos via 26 drillings is of the amount of 35.000 m³ daily. The water, through the aqueduct of Sindos reaches the pump house of Kalohori, after it previously passes through the sedimentation reservoir. Nowadays, due to the operation of the refinery, the drillings do not operate but are systematically maintained and are ready to anticipate any case of emergency.

Water-bearing stratum of the region of Axios River

In the greater region of Axios River (regions of Gefyra, N. Chalkidona, Eleousa and Agios Athanassios) there are totally 46 exploitable drillings and the total supply received reaches the 70.000 m³ daily. Specifically, in the region of Axios River 8 drillings have been opened and 21 more in the region N. Chalkidona. With regard to the region Eleousa, there are 6 drillings from which the limited supply of the deep water layers is drawn, which provide water suitable for supply.

Water uptake at the Region of Narres on the Gallikos River

The water uptake at the region of Narres is within the watercourse of the Gallikos river and constitutes of the (3) wells of water collection with horizontal, radial drillings, as well as of six (6) vertical shallow drillings.

The supply that can be received from the uptake of Narres ranges between 5.000 m³ per day and 25.000 m³ per day, depending on the annual rainfalls and snowfalls. Nowadays, the aqueduct of Narres is ready and is not used.

WATER-BEARING SYSTEMS OF THE EASTERN REGION OF THESSALONIKI

Water uptake of the Springs of Agia Paraskevi, at Chortiatis

The supply of the Springs of Agia Paraskevi, at Chortiatis is used for the support of the region of Chortiatis and as reserve for the water supply of the G. Papanikolaou Hospital.

Water uptake of the Lowlands of Eastern Thessaloniki

In the lowlands of Eastern Thessaloniki (Regions of Mikra - Rysio) there are 6 drillings that provide a total amount of 4.500 m³ per day. This supply is used for the support of the reservoir of Kalamaria. Nowadays, the above-mentioned drillings are ready to use but are not employed as yet.

Drillings - Water Uptake Installations

The greater region of Thessaloniki and its Industrial zone are nowadays supplied by the aqueducts of Aravissos – Axios River and by the installations of the refinery.

EXTERNAL AQUEDUCTS – DRILLINGS

The greater region of Thessaloniki and its Industrial zone are nowadays supplied by the aqueducts of Aravissos – Axios River and the refinery, while the aqueducts of Narres, Sindos and Kalohori are at standby. A short description of these aqueducts as well as their interconnections is provided below:

Aqueducts of Aravissos – Axios River

The aqueduct of Aravissos is about 56 km long and carries by means of gravity water of the water-bearing stratum of the region of Paiko to Thessaloniki. As it was mentioned above, the collection of the water is held by the two supply wells as well as via pumps from eleven (11) drillings. In case of abundant supply of the water-bearing stratum (as it was the case twice in the last 8 years) the pumping is stopped and the supply is supported by natural flow to the central water collection well. The construction of the aqueduct Aravissos was completed in the year 1978 and ever since it supplies water to Thessaloniki and the Industrial Zone. The duct of the aqueduct is made of pre-stressed concrete and steel duct. The water of the aqueduct of Aravissos ends up to the central Pump House of Dendropotamos. *In the aqueduct of Aravissos flows as well the water of the drillings in the region of N. Chalkidona through connected ducts.*

The aqueduct of Axios River, which started operating in the year 1976, is connected with the aqueduct of Aravissos via valves. The duct of the aqueduct of Axios River is made of asbestos ducts of 800 mm in diameter and 14.7 kilometres long. The aqueduct of Axios River collects the water drawn from the uptakes of Axios River, Eleousa and the regions of Gefyra and Agios Athanassios of Thessaloniki, while it functions in a length of 13.840 m., in parallel with the duct of Aravissos, supporting thus the canalization capability of the latter.

Aqueduct of Narres

The external aqueduct of Narres started operating in the year 1968 and its water uptake system was manufactured in the watercourse of the Gallikos River. The aqueduct is about 11 kilometres long and is made of a steel duct. The water uptake of the aqueduct of Narres consists of by three radial wells and six (6) drillings, from which one has been constructed in the Messeo region.

The aqueduct of Narres operated by means of gravity and supplies the reservoir of Diabata by which a part of the Western Thessaloniki and the installations of EKO refinery were supplied in the past. Nowadays, the aqueduct of Narres is not used but it is also at standby.

Aqueduct of Sindos

The aqueduct of Sindos collects the water supplies from the drillings of the water-bearing stratum of Sindos and consists of a duct made of steel that functions by means of gravity. The water of the aqueduct of Sindos, via a bypass that has been constructed, first passes through the sedimentation reservoir and it then it ends in the pump house of Kalohori, from where it can be pumped in order to support the reservoir of Diabata or the pump house of Dendropotamos. Nowadays, it is at standby in any case of water shortage.

Aqueduct of Kalohori

The aqueduct of Kalohori collects the water supplies of the drillings of the water-bearing stratum of Kalohori and consists nowadays of a built duct 1000 metres long. The water of the aqueduct of Kalohori ends to the pump house of Kalohori, from where it can be pumped in order to support

the reservoir of Diabata or the pump house of Dendropotamos. Nowadays, the drillings of the above-mentioned aqueduct are at standby.

PUMP HOUSES AND RESERVOIRS

A. Pump House of Dendropotamos

The water from the pump houses of Dendropotamos, via the high pressure steel duct, supplies the centre of the city of Thessaloniki. More specifically, via the pump house of Evaggelistria, the water is pumped to the Reservoir of Agios Pavlos for the supply of the city centre and to the Reservoir of Saranta Ekklesies for the supply of the regions of Saranta Ekklesies, Triandria.

The pump house of Dendropotamos, via the low pressure steel duct, also supplies the entire Eastern Thessaloniki, as well as a part of the Western Regions as follows:

Eastern regions of Thessaloniki

Via the low pressure duct the pump house of Kassandrou is supplied, from which via two (2) thrust steel ducts the water is pumped to the reservoir of Toumpa. From the reservoir of Toumpa, through the pump house of and the thrust duct, the water is pumped to the reservoir of Pylaia from which the higher region of Kalamaria is directly supplied and with pumping to the greater region of Panorama. The lower region of Kalamaria is supplied by the reservoir of Kalamaria, which is supplied by means of gravity by the reservoir of Toumpa through a steel duct.

Western regions of Thessaloniki

The pump house of Dendropotamos, through the low pressure duct, also supplies the reservoir of Kallithea from which, through the pump house, the reservoirs of Caucasus, Neapoli and Sykies are supplied. From the reservoir of Sykies, through the pump house, the reservoir of Eptapyrgio is supplied, from which the region of Agios Pavlos is supplied in its turn. In addition, nowadays, through the pump house from the reservoir of Sykies the region of Meteora is also supported.

B. Pump House of Diabata

The Pump House of Diabata, through the thrust steel duct of Diabata and Evosmos, supplies the reservoir of the lower regions of Evosmos. From the reservoir of Evosmos, through two pumps, the pump house AD8 is supplied and through this the reservoir of Meteora.

C. Pump House of Sindos of the Aliakmonas River.

The Pump House of Sindos pumps the water from the Aliakmonas River to the Refinery for treatment. Then, the treated water is transported by means of gravity to the Industrial Zone of Thessaloniki and to the pump houses of Diabata and Ionia.

NEW PUMP HOUSES - RESERVOIRS

In June 2007 the new Pump House - Reservoir of Kallirachi started operating. This was constructed with a view to supporting the water supply of the Municipal districts of Chortiatis and Exohi. The new Pump House - Reservoir, with a storage capacity of 80 m³ of water and supply capacity of about

750 m³ on a daily basis, constitutes a part of the 1st phase of the project, anticipating to increase the daily supply to 1000 m³. The budget of this project amounted to 25000,00 €

POTABLE WATER TREATMENT - REFINERY

Potable Water Treatment

With the exception of the water that is collected from the drillings of the region of Sindos, its treatment is limited to the chlorination before it is infused in the distribution system. Chlorination units are available at the pump houses of Dendropotamos, Diabata and the Industrial Zone of Thessaloniki. In addition, there are also chlorination units at the plants of the river Aliakmonas River water refinery at N. Ionia, while pre-chlorination is held in the sedimentation reservoir of Sindos and in the drillings of the region of Narres.

WATER SUPPLY - TREATMENT OF POTABLE WATER

Refineries of potable water from the Aliakmonas River (E.E.N.Θ.)

In the refineries of water of the Aliakmonas River treatment of the surface water is conducted employing the most modern methods that render it healthy and potable. The planned supply of the installation is 600.000 m³ per day. There is an expansion plan by the Ministry of Environment, Urban Planning and Public Work to achieve a capacity of 150.000 m³ per day.

When fully developed, the refineries will be able to process 600.000 m³/ day.

The transportation of water from the Aliakmonas River dam (Aghia Varvara, Veria) to the processing plant, is held via an open duct, of twin siphon and covered ducts as well.

The installations of the water refineries occupy a surface of about 250 acres, which was expropriated for this aim, years ago, by the former O.Y.Θ., in the area belonging to the Municipality N. Ionia. The potable water refineries are located about 2 km at the north Industrial Zone and at about 23 km outside the city of Thessaloniki.

The average annual quantity of delivery for the water supply, for the works of Phase A', will be 109.5 millions of m³ (or 3.5 m³/s), a quantity corresponding at the 3.4% of the average annual supply of the Aliakmonas River. Moreover, the existing water supply sources of EYAΘ SA offer the necessary flexibility to the system, in order the delivery for the Refinery of Aliakmonas to be adapted to the remaining needs of regulation /management of waters (power output, irrigation, and ecosystem).

The process of potable water treatment includes:

pro-ozone treatment,

initial adjustment of pH with the addition of sulphur acid,

rapid mixing of the added precipitant (sulphur aluminium),

precipitation-sedimentation in special round reservoirs,

filtering by means of gravity in beds,

ozone treatment with simultaneous addition of solution of H₂O₂,
refinement in grainy active coal (GAC),
correction of pH takes place with the addition hydro-calcium ,
final disinfection of the water with gas chloride upwards the water storage reservoir.

The output process is extensively automated including a great number of “on-line” instruments which continuously record the water function parameters and characteristics in several stages (supply-meters, pH-meters, conductivity-meters, dim-meters, residual chlorine meters, etc). The indications of these instruments are sent to the facilities control centre, in which the mimic diagram of the functions is also installed. In the same site, also the scada of the pump house of Sindos is also installed. The Lab control of the water produced as well as the function of all the intermediate stages of production is held in the Laboratory of the Refinery and the Potable Water Laboratory of EYAΘ SA, where a great number of samples is tested on a daily basis.

The refineries also are installed with storage, preparation and dosage of chemicals (sulphur acid, poly-electrolytes, sulphur aluminium, chloride and lime), a silt processing line, for the line produced in the precipitation-sedimentation reservoirs (fattening and mechanical dehydration), a processing line for the removal of solids (wastewater recycling from the washing of sand filters and GAC) etc. The power of the installation is about 1400 KW, it is supplied by the Public Power Utility (ΔEH) network by means of two independent lines, while also an auxiliary power couple of 450 KW is also installed.

The work of € 20 millions budget was financed entirely by the Public Investments Program through the Cohesion Fund of the E.U. by the Ministry of Environment, Urban Planning and Public Works, and was completed in late 2002.

The 18-month efficient operation of the refineries was executed by the researcher-constructor under the supervision of ΔEKE and was completed on 25-2-05 (final collection of the complete Refinery).

The installations of ΔΙ.ΝΕ.ΘΕΣ of capacity 150.000 m³ of treated water per day, regularly came to EYAΘ SA after the administrative collection to use by ΔEKE - it was held on 7-3-2005.

LABORATORY CONTROL OF POTABLE WATER

The Water Supply Laboratory of EYAΘ SA conducts controls and analyses of potable water that is supplied for consumption, so that it complies with the necessary quality and the current requirements of both national and European legislation.

To this aim, the following have been realised:

1. Potable Water Quality Control

The quality control is nowadays held in the Water Supply Laboratory according to Sanitary Provision Y2/2600/2001 (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 892 B'/11.7.2001) as it is in effect, *on the “quality of water for human consumption”*, in conformity to the Directive of the Council of the European Union 98/83/EC.

The proper control is ensured with the implementation of ratified methods of analysis (Standard Methods of Analysis for Water and Wastewater and EPA) and is executed as for the organoleptic, physico-chemical, toxic parameters, parameters concerning undesirable substances, as well as microbiological parameters.

Thus, according to the Sanitary Provision in effect, on the effective protection of Public health, a *Test follow-up* (minimum daily control) is realised daily in samples taken from the distribution network, the central pump houses and the water uptake sources as for the following parameters: Remains of free chloride, odour, flavour, turbidity, ammonium (NH_4^+), chloride (Cl^-), pH, conductivity, colour, Aluminium (Al), Iron (Fe), Manganese (Mn), and microbiological analyses.

In addition, a *Controlling follow-up* is held 16 times a year which inter alia includes parameters concerning toxic substances, heavy metals and analyses of organic combination (pesticides, multi-cyclic aromatic hydrocarbons, volatile organic combinations) etc. Finally, *Additional follow-up* is held 4 times a year, at which other organic and inorganic parameters and heavy metals are checked as well.

In addition, the results from the unknown origin water samples testing, in the framework supplied by EYAΘ SA, as well as the results of the washing and cleaning of new transportation and distribution ducts.

Moreover, systematic sampling of water and lab tests is held to the water from the Aliakmonas River from the Agia Varvara dam and along the whole canal, in specific points of water sampling.

2. Sanitarian- microbiological control

In order to guarantee of suitability of the potable water the following are realised:

- Systematic sanitary controls and acknowledgements at the water uptake sources and the distribution network.
- In the laboratory microbiological analyses for Total Coliforms, Escherichia Coli (E.Coli), Clostridium perfringens and total bacteria in their 37°C and 22°C, are held on a daily basis in samples from the distribution network and the points that the water are placed for consumption.

3. 3. Disinfection of potable water with chloride (Cl_2)

For the most effective protection of the potable water quality from a microbiological point of view

- Automatic disinfection with anhydrous liquid chloride (Cl_2) in the central pump houses on a continuous 24-hour basis throughout the year, in compliance with the Sanitary provision YM 5673 (O.G. 5B'9.1.58) "*on disinfection of water of water supplies*".
- Disinfection with solution of hypo-chlorinated sodium (NaOCl) in small regional pump houses with parallel sanitary inspections.
- The presence of remainder of free chloride is continuous and is detected up to the utmost points of the distribution network with a minimum limit concentration of 0.2 mg/l of remainder of free chloride (with the method orthotolidine).

The method of disinfection with gas chloride is most advisable for our company because the cost of the chloride is very low (it is produced by the Hellenic Oils) and mainly because are not created

organic combinations – by-products of chlorination. The corresponding measurements of these in the potable water are much below the acceptable limits.

4. – Participation and attendance of conferences

- Supervision of students' practice
- Supervision of projects performed by the Aristotle University of Thessaloniki and the School of Technology.

5. Certification by the Laboratory

ORDNANCE WORKS

The Water Supply Network Directorate supervises and observes, as the managing Service, the following projects :

1. Repair of Damages in the Water Supply Network T.Π. 2006 (1st PHASE)

- 5/10/2006 Signing of Contract for the implementation of a project with a budget amounting to 925.998,50 € (after 19% VAT). 778.150 (pre VAT).

2. Repair of Damages in the Water Supply Network, year 2006 (2nd PHASE)

- 08.12.06 Signing of Contract for the implementation of a project with a budget amounting to 593235.92 € (after 19% VAT). 19%). 498.517,58 (pre VAT).

3. Repair of Damages in the Water Supply Network, year 2006 (3rd PHASE)

- 26.02.07 Signing of Contract for the implementation of a project with a budget amounting to 638,635 € (after 19% VAT). 536,668.84 (pre VAT).

4. Repair of Damages in the Water Supply Network, year 2006 (4th PHASE)

- 14.03.07 Signing of Contract for the implementation of a project with a budget amounting to 1.135.000 € (after 19% VAT). 475,410.87 (pre VAT).

5. Repair of Damages in the Water Supply Network, year 2006 (5th PHASE)

- 14.03.07 Signing of Contract for the implementation of a project with a budget amounting to 1.135.000 € (after 19% VAT). 596,617.74 (pre VAT).

6. Repair of Damages in the Water Supply Network, year 2007(PHASE A2)

- 31.12.07 Signing of Contract for the implementation of a project with a budget amounting to 600.000 € (after 19% VAT). 504.201 (pre VAT).

7. 1st Group of Emergency Water Supply Works, year 2006

- 08.02.07 Signing of Contract for the implementation of a project with a budget amounting to 1.500.000 € (after 19% VAT). 796,586.74 (pre VAT).

8. Branching - expansion of the Water Supply Network and limiting the distance - replacing the valves for the city of Thessaloniki, year 2006

- 12.02.07 Signing of Contract for the implementation of a project with a budget amounting to 2,400,000 € (after 19% VAT). 1,411,764.70 (pre VAT).

The arrangement of the old and the establishment of an encoded "Plans Archive" concerning the Water Supply transportation and distribution networks are continuing.

It is noted that the data of the Water Supply Network of E.Y.A.Θ S.A., referring to the city of Thessaloniki and concern pump houses, water transportation and distribution networks and supplies, by means of G.I.S.

WORKS BY GROUPS (until 31/12/07)

REPAIR OF LEAKAGES PER CATEGORY (DAMAGES IN THE NETWORKS)

Visible	3.717
Invisible	487
In connections	3.701
Research	1.384
Replacement and Maintenance of Valves	28
Several interventions	208
TOTAL	9.525

CONNECTIONS OF BLOCKS OF FLATS (NEW CONTRACTS)

Temporary	844
Transfers (T.T.)	379
Permanent (completed)	937
TOTAL	2.160

EXPANSIONS OF NETWORKS AND DIAMETERS OF DUCTS (in meters)

Duct Φ 20	125
Duct Φ 32	11
Duct Φ 40	128
Duct Φ 50	56
Duct Φ 63	512
Duct Φ 80	115
Duct Φ 90	111
Duct Φ100	60
Duct Φ110	3.692
Duct Φ160	176
Duct Φ200	205
Installation of discharge	20
TOTAL	5.211

HYDROMETERS

Installations	11.831
Replacements	369
Removals	2.615
Disconnection from a duct	757
TOTAL	15.572

HYDROMETERS DEPARTMENT (until 31-12-2007)

Replacements	2.317
Disconnections	3.954
Re-installations	2.125
Paid controls - through the service	8.025
Several interventions	2.401
Illegal water consumptions	1.309
TOTAL	20.131

AVERAGE INTERVENTIONS OF THE MONTH 1.678

B. SEWERAGE SECTOR

WASTEWATER TREATMENT

In compliance with the General Plan conducted in late 1970, which has been implemented in the meanwhile, the greater region of Thessaloniki is divided into two wastewater collection zones:

- a. The sewages from the central and western regions, where most of the urban and industrial concerns are established, are collected and transferred to the Sewage Treatment Plant of Thessaloniki (EEΛΘ) at the region of Sindos.
- b. The sewages from the Eastern (tourist) regions are collected and transferred in another Sewage Treatment Plant at the region of AINEIA at the Municipality of Michaniona.
- c. The wastes from the Industrial Zone of Thessaloniki are collected and treated in the Waste Treatment Unit (MKA) that was used by EYAΘ SA since January 2003.

a. Sewage Treatment Plant of Thessaloniki (EEΛΘ)

Under the current conditions of operation, EEΛΘ treats on a daily basis from 160.000 m³. Also, about 120 sewage wagons are served per day.

Stage I of the works of the Sewage Treatment Plant of Thessaloniki (EEΛΘ), of a budget amounting to 3.5 billions Drs, started in 1983 and was finished on 31-5-1989.

Stage II of the expansion of the EEΛΘ started in October 1995, with a budget of 11.3 billion Drs. The cost of the second stage of EEΛΘ and the disposal duct (70 million €) was financed by the Cohesion Fund (85%) and the Public Works Department of the Ministry of Environment, Urban Planning and Public Works.

The Plant started operating in May 1992 by the constructor.

ΕΕΛΘ came under the competency of ΕΥΑΘ SA since 1-5-2002 and its operation and maintenance was assigned by virtue of a decision by the Board of Directors of ΕΥΑΘ SA to the Syndicate “TC U.P. KONSTANTINIDIS-KARKANIAS TECHNOLOGY OF ENVIRONMENT SA” for the period from 7-5-2003 to 6-5-2005. This contract was then extended until 6-5-2006.

At the same time, an open international tender was called for the assignment of a new Service Provider, which is still in progress. The new contract apart from the 50year operation also includes extensive works of maintenance of the ΕΕΛΘ.

Until to the assignment of a new contractor from the tender, contracts have been signed for the service provision concerning the operation of the ΕΕΛΘ with the Syndicate “TC U.P. KONSTANTINIDIS-KARKANIAS TECHNOLOGY OF ENVIRONMENT SA” for the periods from 7/5/2006 to 6/12/2006 and from 7/12/2006 to 6/3/2007.

The sewages undergo secondary treatment in the ΕΕΛΘ with simultaneous removal of nitrogen, while recipient of the biologically treated sewages is the gulf of Thessaloniki. However, because of their high quality and in the framework of anticipating the forecasted reduction in the sufficiency of water, on both a world and a local level, ΕΥΑΘ SA in collaboration with the National Institution of Agricultural Research and other institutions investigates the possibility of using the treated sewages for irrigation of the fields by the ΕΕΛΘ. In addition, it is also researched the possibility to disposal of the treated sewages after their additional treatment by means of membranes for the enrichment of underground water-bearing stratum.

b. Sewages Treatment Plant of the Tourist Regions of Thessaloniki (AINEIA)

The Sewages Treatment Plant of the Tourist Regions “AINEIA”, which was inaugurated in 1997, can treat at the first stage of planning of Phase A about 29.000 m³/ day. Initially, it processed small quantities of urban sewages, from Michaniona and Aggelochori through the network and 3 pump houses but mainly wastewater, which end up there by means of tanker vehicles. It should be noted that nowadays the central sewerage duct of the tourist regions, the eight new pump houses, as well as the sewerage network of the regions located above the Thessalonica Michaniona road of the Municipality of Thermaikos already operate, the sewages of which are led to the Sewages Treatment Plant of the Tourist Regions for treatment.

Nowadays, in ΕΕΛ AINEIA on average 2.500 m³ per day of wastewaters and 3.500-4.000 m³ per day of urban sewages with very good results undergo secondary biological treatment and simultaneous removal of nitrogen. In 2006 2.160.840 m³ of sewages were treated in total and 45.411 tanker vehicles were served.

c. Waste Treatment Unit of the Industrial Zone of Thessaloniki (MKA)

The unit came to ΕΥΑΘ SA for use in 2003 and biologically processes about 10.000-15.000 m³ per day of industrial waste from the region of the Industrial Zone of Thessaloniki.

Within 2004 the contract for the provision of services on the operation and maintenance of the MKA (from 1-1-2003 to 30-11-2004) was implemented.

MKA needs further repair and expansion works for its proper function.

PERMITS OF PLANTS OPERATION

EYAO SA has the following permits of operation :

a. Potable Water Treatment Plant of Thessaloniki from the Aliakmonas River (E.E.N.Θ.)

A single - indeterminate - permit has been granted for the installation and operation of the above mentioned plant, dated on 10-05-2004 by the General Directorate of Development - Industry & Mineral Wealth of the Prefecture of Thessaloniki in the name of EYAO S.A.

An Environmental Conditions License has been granted by the Special Environmental Service (EYΠE) of the Ministry of Environment, Urban Planning and Public Works (Υ.ΠΕ.ΧΩ.ΔΕ.), Common Ministerial Decree 144779/1-12-2005, valid for 10 years.

The renewal of the Fire Safety Certificate is under granting, after the control held by the Competent Fire Department in February 2008.

An exception has been granted from the liability to get a license for the output of electric power from the auxiliary power supply couple (H/Z) (no. 33/2008 by virtue of article 10v.2773/1999) by the Power Regulatory Authority.

b. Sewages Treatment Plant of Thessaloniki

It has a final permit of sewages disposal, D. 30/οικ 6604/18-11-2003, with recipient the gulf of Thermaikos, on the basis of the Decision of the Prefect of Thessaloniki PS/22374/91/11-1-94, as it was amended by the 30/οικ 4439/13-6-2006 decision.

It has an Approval of Environmental Terms by the Special Service of Environment (EYΠE) of the Ministry of Environment, Urban Planning and Public Works, GD 123190/12-2-2004, of 10-year validity, as it was amended by the GD 106129/25-10-2006.

A Certificate of Fire Safety has been issued by the Fire Brigade of Thessaloniki under the Dec. 27228 Φ.701.4/6986/23-10-03.

After the above mentioned, the Prefecture of Thessaloniki has issued a Single Permit of Installation – Operation of the EEΛΘ, Dec. 15/Φ.14.2.22243/2/10664/28-11-2003, of unlimited duration.

It has an Approval of Environmental Terms on the disposal of treated sewages for irrigation from the Special Service of Environment (EYΠE) of the Ministry of Environment, Urban Planning and Public Works, GD 141937/7-3-2005, which is in effect until 31-12-2009.

Power Output Station from biogas, of 2.5 MWee power in the EEΛΘ

The permit of operation of the above mentioned station was granted by virtue of the decision of the General Secretary of the Region of Central Macedonia Dec. 8253/12-12-2003 for 10 years.

c. Sewages Treatment Plant of Thessaloniki AINEIA

It has an Environmental Permit – Study of Environmental Repercussions - Approval of Environmental Terms from the Special Service of Environment (EYΠE) of the Ministry of Environment, Urban Planning and Public Works, GD 85222/15-7-2002

Final Permit of Sewages Disposal by virtue of the Dec. 30/3748/29-7-02, according to the Prefect's Decision PS/22374/91/94, as it was amended by the 30/οικ 1096/8-2-2007 decision.

Fire Safety Certificate

A Single Permit of Installation – Operation has been granted by virtue of the Decision 15/Φ.14.2.24558/2/5978/15-5-2007.

SEWERAGE WORKS UNDER CONSTRUCTION

Works at the Sewages Treatment Plant of Thessaloniki (ΕΕΛΘ)

The following have been delivered to use:

The Wastewaters Reception and Pre-treatment Plant (ΕΥΠΒ).

The fully equipped Laboratory for Chemical and Microbiological analyses.

The remaining works for the full operation of the plant are:

Construction of a Network for the transfer of pre-treated industrial waste from the ΒΙ.ΠΕ.Θ. to the ΕΕΛΘ. This work is part-financed by the European Union.

Treatment and management of silt, with contract works by the MINISTRY OF ENVIRONMENT URBAN PLANNING AND PUBLIC WORKS (3rd Melting pot, desiccation of silt).

Production of biogas and co-production power and heat energy with full exploitation of biogas in the ΕΕΛΘ.

The public financing of the above mentioned work, after the approval of the corresponding proposal of ΕΥΑΘ SA by the ΕΠΑΝ –Framework of Action 2.1.3 on 13-12-2004, amounted to the sum of 1.400.000€ with approved budget of up to 3.500.000€

WORKS AT THE SEWERAGE PUMP HOUSES INSIDE THE CITY OF THESSALONIKI

In the Sewerage pump houses within the city of Thessaloniki installations upgrading - improvement works were implemented on which the amount of 255.916,45 € was spent. More analytically:

In 2007 the Telecontrol and Remote control system (SCADA) was installed by the Sewerage Pump Houses Control centre, with the simultaneous upgrading of the electric boards at the Pump Houses AA14-Chamodrakas, AA39-2nd Phase (Industrial Zone of Thessaloniki), AA40-3rd Phase (Industrial Zone of Thessaloniki), AA48-Sykeon, of total cost equal to 47.406,45 €.

In 2007, the replacement of the old main and auxiliary electromechanical and hydraulic equipment was implemented in the pump house AA14-Chamodrakas, of total cost equal to 72.800,00 €.

56.400,00 € were spent on the replacement of the main electromechanical equipment in the pump house AA17-Phinikas.

In 2007, the replacement of the old main electromechanical equipment was implemented in the pump house AA13-Sophouli, of total cost equal to 28.950 €.

The replacement of the old main electromechanical equipment has started in the pump house AA12-Analipsi, of total budget equal to 125.900,00 €. The cost paid within 2007 amount to 50.360,00 €.

SEWERAGE SYSTEM

FORCE ACCOUNT ON ACTIVITIES IN THE YEAR 2007

A. OPERATION & MAINTENANCE DEPARTMENT

The works performed by the Department in 2007 are as follows:

1. Replacement of the network parts

- a) K.B.T. (heavy lids) : 41 pieces
- b) K.B.T. (light lids) : 6 pieces
- c) Grids: 360 pieces
- d) Replacement of clam type sheet metal with KET: 7 pieces
- e) Replacement of ducts - private ramifications: -

2. Unblockage

- a) of central ducts: 1067 pieces
- b) of private ramifications: 16 pieces (charged)
- c) Cleaning of water collection wells: 219 pieces
- d) Duct checks: 270 pieces

3. Cleaning

- a) of water collection wells: 6146 + 1400 Municipality of Ampelokipi + 1260 Municipality of Menemeni
+ 350 Municipality of Stavroupoli = 9156 pieces.
- b) of central ducts with the cooperation of sewage wagons: 38497 μ.μ. + 2000.μ. (with chartered sewage wagon)
= 40497 μ.μ.
- c) Suction of look-in wells: 69 pieces
- d) Suction of retained sand: 26 pieces
- e) Suction of clams: 65 pieces
- f) Suctions – cleaning of pump houses: 4 pieces
- g) Look-in and water collection wells, manually: 61 pieces
- h) Streams - plots jaws: 1 piece

4. Repairs

- a) of look-in wells: 74 pieces
- b) of water collection wells- clam type: 70 pieces
- c) Ducts – private ramifications: 26 pieces
- d) Adjustment of the look-in wells' lid level: 1 piece
- e) Adjustment of the water collection wells' lid and valves' lips: 2 pieces
- f) Valve lips installation: 68 pieces
- g) Siphon installation: - piece
- h) Holes filling in with 3A: 14 pieces

5. Minor Constructions

- a) of look-in wells: 4 pieces
- b) of water collection wells: - pieces
- c) Look-in wells uncoverage and elevation: 189 pieces
- d) Abolishment of old well: 5 pieces

6. Additional - Auxiliary works

- a) Autopsies: 2820 pieces
- b) Water pumping: 3 pieces
- c) Road washing: 3 pieces
- d) Installation of lids taken out: 9 pieces

Previously, the works refer to the type and quantity performed by the department throughout the year, as well as the works performed by the privately owned chartered sewerage wagons which had to serve the narrow streets.

7. Works for the Central Sewerage Duct - Video Recordings

- | | |
|---|-----------|
| a. Unblocking of deviations – overflows without a sewerage wagon: | 47 |
| b. Unblocking of deviations – overflows with a sewerage wagon: | 55 |
| c. Cleaning of ducts: | 2750 m. |
| d. Cleaning of wells: | 33 pieces |
| e. Handling of hand dams of the Central Sewerage Duct: | 100 |
| f. Handling of hand dams of the collectors: | 27 |
| g. Handling of retort valves: | 34 |
| h. Autopsies – research: | 120 |
| i. Supervision of contract works: | 36 |
| j. Video recording of ducts constructed under contract works: | 33.850 m. |
| k. Video recording of ducts for the operation & maintenance department: | 33.850 m. |
| l. Tracing of private ramifications: | 17 pieces |
| m. Checking of private ramifications: | 4 pieces |
| n. Everyday control of the waterfront collectors and outfalls on the seawall from White Tower to Kerasoundos street (Nautical Club of Thessaloniki - N.O.Θ.). | |
| o. Everyday control of several deviations and overflows of the network. | |

CONNECTION LICENCES ISSUING DEPARTMENT

The works performed by the Department in 2007 are as follows:

- | | |
|---|------|
| 1. Issuing of Certificates for the Urban Planning Service: | 921 |
| 2. Connection bills: | 391 |
| 3. Mailing of group invitations per region to the individuals in order to connect their real estate to the network (License issuing): Pefka 11, Michaniona 5, Kerasia 3, Perea 1, Panorama 9, Oreokastro 1. | |
| 4. Connection license issuing: | 1662 |

5. Issuing of Certificates for water supply and charge of sewerage usage fees:	1525
6. Issuing of Certificates for confirmation:	18
7. Updating of plans for Services or individuals:	93
8. Autopsies:	300
9. Charge – remit of sewerage usage fees:	251
10. Difficulties anticipated:	
11. Modernization attempts	

The cooperation for the computerization of the sewerage processes continued (Licences Issuing Department) and their integration with the ERP of the Water Supply Field. Despite the attempts, the result was not considered satisfactory and its further improvement was demanded (more specifically, it was maintained that the necessary time with the new program ERP was more than quadruple than that necessary for the previously used program of the Department).

SEWERAGE AND ENVIRONMENT LAB CONTROL DEPARTMENT

The activities of the department in 2007 were as follows:

1. It implemented and applies the Quality Control System in compliance with the standard ISO9001:2000/EN ISO 9001:2000
2. It studied the credential granting process, in order to gradually proceed to the grant the credentials of the six after the analyses performed, assisted by an external work-group.
3. It proposed the making of a decision by the BoD of EYAΘ S.A. concerning the charging of the studies conducted on industries, which keep coming back, due to the researchers' negligence to draw up a complete stud.
4. The two (2) trials of EYAΘ S.A. with the Company "Doulakakis", who systematically discharged petroleum wastes in the network of EYAΘ S.A. were postponed. This company keeps operating, despite the interruption of both the legitimate and illegal connection to the network of EYAΘ S.A., after the district attorney's judgement and in presence of the Police.
5. The qualitative recording of the polluting sources was continued:
 - a. Petroleum products – oil (service station with car wash – lubricant)
 - b. Public sector (Railway Organization, Bus Organization, etc)
 - c. Health sector - private and public – Infectious wastes:

In the health sector, the department came to contact with hospitals and private clinics aiming at the limitation of pollution deriving from them (infectious wastes). Significant response was evident.

6. Self control for the reliability of the analyses held by the department.

The department replaced some of the methods and many of the reactors used with new ones which are certified.

7. The recording of the clientele in both digital form and hard copy was continued.

8. It performed about 650 autopsies on :
 - a. EEA (THESSALONIKI-AINEIA-MKA)
 - b. Industries seated at the Industrial Zone of Thessaloniki.
 - c. Industries – Small industries – Food labs
 - d. Car washes
 - e. Cases of water leakage.
 - f. Ducts
9. It performed about 750 samplings.
10. It performed about 5.200 sample analyses.
11. It cooperated with the Control Committee for the Wastes Treatment & Disposal and Liquid Industrial Wastes Studies to issue about 160 licenses.
12. It participated in the committees of the Industrial Zone of Thessaloniki and the Nautical Club of Thessaloniki.
13. It drew up a report on the function of MKA in the Industrial Zone of Thessaloniki.

CONVENTION WITH THE MINISTRY OF ENVIRONMENT, URBAN PLANNING AND PUBLIC WORKS

On 17-5-2006 the contract between the Ministry of Environment, Urban Planning and Public Works and EYAΘ SA for the maintenance, reconstruction and expansion of the sewerage network of rain waters, as well as the operation and maintenance of the pump houses of rain waters in the greater region of the city of Thessaloniki were signed.

The duration of the contract started on 22-5-2005 and was extended for 12 more months from 1-1-2006 to 31-12-2006. Moreover, according to article 43 L.3316/2005 there was the possibility of retrospective payment of compensation for the works held by EYAΘ SA in the framework of the above mentioned contract for the period from 26-7-2001 to 21-2-2005. Thus:

- (a) By virtue of the Register No. 1931/19-12-05 decision of the Minister of Environment, Urban Planning and Public Works, a credit of 6.990.000 € to EYAΘ SA as a compensation for the flood-preventing works was approved; as it came under the competence of the Ministry of Environment, Urban Planning and Public Works, that were performed from 26-7-2001 to 21-2-2005 and was collected by EYAΘ SA.
- (b) By virtue of the Register No. 2488/29-12-2006 decision of the Minister of Environment, Urban Planning and Public Works, a credit of 3.310.341 € to EYAΘ SA as a compensation for the flood-preventing works was approved; as it came under the competence of the Ministry of Environment, Urban Planning and Public Works, that were performed from 22-2-2005 to 30-11-2006 and EYAΘ SA collected the sum of 1.000.000 €.

Also, by virtue of the same decision, the since 12-5-2006 contract between the Ministry of Environment, Urban Planning and Public Works and EYAΘ SA was renewed for other one year, i.e. from 1-1-2007 to 31-12-2007.

- (c) By virtue of the Register No. 298/19-12-05 decision of the Minister of Environment, Urban Planning and Public Works, a credit of 140,420 € to EYAΘ SA as a compensation for the flood-preventing works was approved; as it came under the competence of the Ministry of Environment, Urban Planning and Public Works, that were performed from 1-12-2001 to 31-12-2006 and was collected by EYAΘ SA.
- (d) By virtue of the Register No. 1392/19-7-2007 decision of the Minister of Environment, Urban Planning and Public Works, a credit of 680.719 € to EYAΘ SA as a compensation for the flood-preventing works was approved; as it came under the competence of the Ministry of Environment, Urban Planning and Public Works, that were performed from 1/1 - 31/5/2007.
- (e) By virtue of the Register No. 28/29-1-2008 decision of the Minister of Environment, Urban Planning and Public Works, a credit of 1,083,113 € to EYAΘ SA as a compensation for the flood-preventing works was approved; as it came under the competence of the Ministry of Environment, Urban Planning and Public Works, that were performed from 1/6 - 31.12.07.

WORKS, STUDIES & DEVELOPMENT DEPARTMENT REPORT

Studies Department Report for 2007.

1. The studies conducted and auctioned in (Annex "A")
2. Studies conducted in 2007 and have not been auctioned, as well as other activities (Annex "B")
3. Works performed by the GIS Office in 2007. (Annex "C")
4. Works performed by the Survey Office in 2007. (Annex "D")

Constructions Department Report for 2007.

1. Works under construction: Number of works 22 (Annex "E")
2. Works completed in 2007: Number of works 12 (Annex "F")
3. Payment (accounts signed) of the works constructed until 31-12-2007. **28.833.220,89 €**pre VAT (Annex "G")
4. Works financed by EYAΘ Παγίωv (Annex "H")

Research & Development Department Report for 2007.

Participation of EYAΘ S.A. in research Programs financed either by EU funds, or by privately owned funds. (Annex "I")

ANNEX "A"

STUDIES CONDUCTED & AUCTIONED

STUDIES ON SEWERAGE

No.	Auth. No.	TITLE OF STUDY	BUDGET
1	662	EXPANSION OF THE SEWERAGE NETWORK IN DISPATCH AND WITH THIRD PARTIES' PARTICIPATION IN THE COST, YEAR 2007 (1ST PHASE)	1.135.000,00
2	668	1ST GROUP OF EMERGENCY SEWERAGE WORKS, YEAR 2007	2.000.000,00
3	669	CONSTRUCTION OF PRIVATE RAMIFICATIONS FOR THE CONNECTION OF REAL ESTATES TO THE SEWERAGE NETWORK, YEAR 2007	1.135.000,00
4	641	CONSTRUCTION OF COMPLEMENTARY WASTE WATERS NETWORKS, MUNICIPALITY OF PANORAMA, (2ND PHASE)	2.500.000,00
5	681	REPAIR OF DAMAGES IN THE SEWERAGE NETWORK, YEAR 2008	1.135.000,00
6	683	CONSTRUCTION OF PRIVATE RAMIFICATIONS FOR THE CONNECTION OF REAL ESTATES TO THE SEWERAGE NETWORK, YEAR 2008	600.000,00
TOTAL			8.505.000,00

STUDIES CONDUCTED AND ASSIGNED TO ΕΥΑΘ ΠΑΓΙΩΝ

No.	TITLE OF STUDY	BUDGET
1	Construction of complementary waste waters network, Municipality of Kalamaria	335.000,00
2	Complementary works in waste waters network of the Municipality of Pefka	7.331.744,00
TOTAL		7.666.744,00

OTHER STUDIES

No.	Auth. No.	TITLE OF STUDY	BUDGET
1.	666	FINAL STUDY OF THE BED FOR THE RECEPTION OF 50.000m ³ DEHYDRATED AND CALCIFICATED SILT FOR THE HYGIENIC BURIAL AREA FOR GARBAGE (X.Y.T.A.) AT TAGARADES, THESSALONIKI	20.000 (PRE VAT)
2.	667	FINAL STUDY OF THE BED FOR THE RECEPTION OF 50.000m ³ DEHYDRATED AND CALCIFICATED SILT AT THE SEWERAGE TREATMENT PLANT OF THESSALONIKI (E.E.Λ.Θ.)	15,000 (PRE VAT)

WATER SUPPLY STUDIES

No.	Auth. No.	TITLE OF STUDY	BUDGET
1	660Y	1ST GROUP OF EMERGENCY WATER SUPPLY WORKS,	3.000.000,00

		YEAR 2007	
3	665Y	RAMIFICATIONS - EXPANSION OF THE WATER SUPPLY AND DENSIFICATION - REPLACEMENT OF THE VALVES AT THE CITY OF THESSALONIKI, YEAR 2007	3.000.000,00
6	670Y	REPLACEMENT OF 20.000 HYDROMETERS IN THE AREA OF ACTIVATION OF EYAΘ SA	360.000,00
7	673Y	REPAIR OF DAMAGES IN THE WATER SUPPLY NETWORK, YEAR 2007 (PHASE A1')	1.135.000,00
8	674Y	1ST GROUP OF EMERGENCY WATER SUPPLY WORKS, YEAR 2008	1.135.000,00
9	671Y	WATER SUPPLY OF THE REGION OF NIKOPOLIS, OF THE MUNICIPALITIES OF STAVROUPOLI AND POLICHNI & ANTHOKIPON OF THE MUNICIPALITY OF POLICHNI (REDRAWING UP OF THE STUDY) PART A' STUDY OF THE INTERNAL WATER SUPPLY NETWORKS OF THE REGION OF NIKOPOLIS, OF THE MUNICIPALITIES OF STAVROUPOLI AND POLICHNI	2.695.350,00
10	675Y	CONSTRUCTION OF A DUCT GOT THE SUPPLY OF THE RESERVOIR AT THE COMMUNITY OF N. EFKARPIA	440.300,00
11	680Y	REPAIR OF DAMAGES IN THE WATER SUPPLY NETWORK, YEAR 2007 (PHASE A2')	600.000,00
12	682Y	RAMIFICATIONS - EXPANSION OF THE WATER SUPPLY AND DENSIFICATION - REPLACEMENT OF THE VALVES AT THE CITY OF THESSALONIKI, YEAR 2007 (1ST PHASE)	600.000,00
13	664	MAINTENANCE OF THE FACILITIES OF EYAΘ A.E., YEAR 2007	1.000.000,00
14	679	PRESERVATION AND MAINTENANCE OF THE AQUEDUCT NARRES, YEAR 2008-2009	180.000,00
TOTAL			14.145.650,00

ANNEX "B"

STUDIES CONDUCTED & NOT AUCTIONED

No.	TITLE OF STUDY
1	Preliminary study of the waste waters network of Oreokastro, 11 km long
2	Preliminary study of the region of Eleorema, Municipality of Pylea
3	Installation of 34.000 m. ducts in the region of Thessaloniki
4	Construction of Lagoons for the laying down of silt
5	Studies for the deviation of the ducts of EYAΘ SA due to the works for the UNDERGROUND
7	Temporary connection of the pump house A1 of Sindos to the Waste Treatment Unit (MKA)
8	Permanent connection of the Municipal district of Sindos and sewerages of Aghios Athanasios to the Sewage Treatment Plant of Thessaloniki (EEΛΘ)
9	Research and study on relief measures for the region of the "Chamodrakas" pump house
10	Improvement works in the region of the pump house AT1 and the tourist regions of Thessaloniki

11	Repair of the pump house AΘ1 of the duct Thermi - Kalamaria
12	Study of waste and rain waters of the Municipal Hall of the Municipality of Thessaloniki
13	<p>Apart from the above mentioned studies, the Studies and Development Department drew up and put under the process of approval some individual studies as well as some tables of works to be performed concerning the following contract works:</p> <ul style="list-style-type: none"> - EXPANSION OF THE SEWERAGE NETWORK IN DISPATCH AND WITH THIRD PARTIES' PARTICIPATION IN THE COST - GROUPS OF EMERGENCY SEWERAGE WORKS - REPLACEMENT OF THE WATER SUPPLY NETWORK DUCTS - GROUPS OF EMERGENCY WATER SUPPLY WORKS

ANNEX "C"

Works performed by the GIS Office in 2007.

No.	Type of work
1	Accession to the contract sewerage work system "Construction of sewerage works in the regions of Sindos, Municipality of Echedoros and Pefka of Thessaloniki A.Θ.611"
2	Accession to the contract sewerage work system "Construction of sewerage duct through the Karatasou Military Camp for the draining of the New Military Hospital of Thessaloniki"
3	Accession to the contract sewerage work system "Construction of sewerage collector of the Municipality of Oreokastro and translocation of the already existing pump house A.Θ.634"
4	Accession to the contract sewerage work system "Expansion of the Sewerage System of 2004. A.Θ.605"
5	Accession to the contract sewerage work system "Collector of sewerage in the region of Macedonia, Panorama A.Θ.608"
6	Accession to the contract sewerage work system "1st Group of emergency sewerage works 2004 A.Θ.590" (Quantity: 3 Works)
7	Accession to the contract sewerage work system of sewerage in the region of ROM in the Municipality of Evosmos
8	Accession to the system of private sewerage ramifications in the eastern part, in the year 2003 A.Θ.569 (Quantity: 358)
9	Accession to the system of private sewerage ramifications in the western part, in the year 2002 - 2003 A.Θ.562 (Quantity: 930)
10	Accession to the system of private sewerage ramifications in the Municipality of Thessaloniki, in the years 2004 - 2005 A.Θ.604 (Quantity: 737)
11	Accession to the system of Records on Private Sewerage Connections (Quantity: 438)

12	Correction of data on the sewerage networks and bases in compliance with the 1:500 maps – Municipality of Menemeni, Tags 9-10
13	Correction of data on the sewerage networks and bases in compliance with the 1:500 maps – Municipality of Evosmos, Tag 32
14	Accession to the contract water supply work system "Installation of 34.000 m. water supply ducts in the region of Eastern Thessaloniki" (Quantity: 3 Works) A.Θ. 607Y
15	Accession to the contract water supply work system "Installation of 18.000 m. water supply ducts in the region of Central Thessaloniki" (Quantity: (Quantity: 3 Works) A.Θ. 610Y
16	Accession to the contract water supply work system "Installation of 56.000 m. water supply ducts in the region of Western Thessaloniki" (Quantity: 2 Works) A.Θ. 606Y
17	Accession to the contract water supply work system "1st Group of Emergency Works 2006" (Quantity: 1 Work) A.Θ. 638Y
18	Accession to the system of supplementary data on the water supply works: "Updating of the GIS Basis with the work blueprint codes"
19	Accession to the system of supplementary data on the water supply works: "Installation of 18.000m. water supply ducts in the Central Thessaloniki (Corrections made by Mr. Papailiopoulos)"
20	Accession to the system of supplementary data on the water supply works: "1st Group of Emergency Works 2004 (Corrections made by Mr. Papailiopoulos)"
21	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Pefka
22	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Epanomi
23	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Expansion of Municipality of Polichni
24	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Thessaloniki -Expansion of Kifisia
25	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Evosmos – Region of ROM
26	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Echedoros – Magnisia
27	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Mikra – Plagiari
28	Entrance in the survey ground data system (Building Blocks, Real Estates, Names of Streets, Usage of Land): Municipality of Echedoros – Sindos
29	Spreading of GIS in other Departments and the field of technical support
30	Provision of data (tables, statistics, etc.) to other Departments/ Directorates
31	Correlation, identification and single encoding between the GIS database and the records of the MHE Directorate (Water Supply/ Sewerage Pump Houses, Water Supply Reservoirs, Facilities of EYAΘ SA)
32	Entrance in the system of corrections of the sewerage system from the Work Site of Pylea (Quantity: 62)
33	Provision of updates (map extracts) to third parties (Quantity: 174)
34	Drawing up of Maps – Print outs (Quantity: 180)

ANNEX "D"

Works performed by the Survey Office in 2007.

BLUEPRINTS

- 1) Blueprints of the perimetric zone in the region of the expansion of Sewerage Treatment Plant at the Biological Treatment Unit of Sindos
- 2) Blueprints of the area for the construction of lagoons for the laying down of silt at the South of the Biological Treatment Unit of Sindos
- 3) Blueprints of the area for the construction of the lagoons for the laying down of silt at the North of the Biological Treatment Unit of Sindos
- 4) Blueprints of the underground construction on the crossroads of the ring road at Lagada Street
- 5) Blueprints of the region of the pump house at the Makedonomachou K. Karamanli Street, at Panorama
- 6) Blueprints for the deviation of the duct connecting the Drillings Σ8-Σ7a of Sindos
- 7) Blueprints of the duct ΔEYA (Municipal Organization of Water Supply – Sewerage) at Pefka
- 8) Blueprints of the duct at Tataoulon Street, in Kalamaria
- 9) Complementary blueprint of the car service station in Sfagia region

HYPSOMETRIC CONTROLS

- 1) Hypsometric control of the sewerage network of N. Redestos
- 2) Hypsometric control of the sewerage network of Tagarades
- 3) Hypsometric control of the sewerage network of Plagiari
- 4) Hypsometric control of the sewerage network of Triadi
- 5) Hypsometric control of precipitation in the pump house of Phinikas

ACQUISITION OF HYPSOMETRIC DATA

- 1) Estimation of elevations in the pump house of N. Ionia
- 2) Estimation of elevations in the water supply plugs at Sindos, within the framework of a research program
- 3) Acquisition of hypsometric data was performed for the expansion studies concerning the sewerage system in about 90 sites of the greater region of Thessaloniki

PROVISION OF EXPROPRIATION DATA ON THE WATER SUPPLY & SEWERAGE NETWORK

Data on the expropriations held by ex OYΘ and ex OAΘ were provided to both individuals - on demand - and for EYAΘ SA itself.

PROVISION OF GENERAL SURVEY DATA FOR THE NEEDS OF THE DEPARTMENT OF EYAΘ SA

Diagrams and generally survey data were provided to several departments of EYAΘ SA in order their needs to be covered, either by the existing archive of EYAΘ SA, or under the aegis of the Survey Office from other Services

ANNEX "E"

WORKS COMPLETED IN 2007

SEWERAGE

No.	WORK	CONTRACT AMOUNT PRE VAT
1	Construction of internal sewerage networks at the Municipal Dpt. of Tagarades and N. Redestos of the Municipality of THERMI, THESSALONIKI	1.798.930,91
	COMPLEMENTARY CONTRACT	899.159,66
2	Completion of the sewerage networks in the Tourist Regions of Thessaloniki in the MUNICIPALITIES OF THERMAIKOS & N. MICHANIONA	5.348.472,28
2	Construction of complementary sewerage networks at the Municipality of Panorama	745.932,70
	COMPLEMENTARY CONTRACT	369.908,02
3	Construction of sewerage works in the region of Sindos, Municipality of Echedoros and Pefka of Thessaloniki	5.453.548,31
4	Expansions of the Sewerage Network in dispatch and with participation of third parties in the cost, year 2006	1.104.323,31
5	Construction of Waste Waters Collectors at Oreokastro and translocation of the existing pump house	428.142,85
6	Expansions of the Sewerage Network in dispatch and with participation of third parties in the cost, year 2006 (1st Phase)	112.000,00
7	Construction of Sewerage Duct through the Karatasou Military Camp for the draining of the New Military Hospital of Thessaloniki	417.987,88
8	Construction of waste and rain waters of the Region of Alana, Toumpa of the Municipality of Thessaloniki	432.275,03
9	maintenance of facilities of EYAΘ SA, 2005	529.411,77
	COMPLEMENTARY CONTRACT	243.697,48
10	Construction of privately owned Ramifications for the connection of real estates with the sewerage network in regions of the City of Thessaloniki; competence of EYAΘ SA in the years 2004-2005	583.215,00
	COMPLEMENTARY CONTRACT	308.292,90
TOTAL		18.775.298,10

WATER SUPPLY

No.	WORK	CONTRACT AMOUNT PRE VAT
1	Preservation & maintenance of the aqueduct of Narres in the period 2004-2005	78.601,69
	COMPLEMENTARY CONTRACT	7.563,03
2	Installation of 18.000m. Of water supply ducts in the region of Central Thessaloniki	1.285.593,23
TOTAL		1.371.757,95

ANNEX "F"

WORKS IN PROGRESS

SEWERAGE

No	WORK	BUDGET AFTER VAT	CONTRACT AMOUNT PRE VAT
1	Building of Chemical control Laboratories of and Technical Services of EYAΘ SA	7.400.000,00	4.404.187,97
	COMPLEMENTARY CONTRACT	1.135.180,00	953.932,77
2	Construction of wastewaters collector for the Physical Education School (T.E.Φ.A.A.) – the National centre of research and technological Development – the Museum of Technology and the "Leda-Maria" settlement at the Municipalities of Pylea and Themi, Thessaloniki	740.000,00	341.097,23
	COMPLEMENTARY CONTRACT	193.970,00	163.000,00
3	Sewerage networks in M.D. of Plagiari, Municipality of Mikra	3.945.000,00	2.071.015,37
4	Construction of privately owned Ramifications for the connection of real estates with the sewerage network in regions of the City of Thessaloniki; competence of EYAΘ SA in the year 2006	950.000,00	539.957,98
	COMPLEMENTARY CONTRACT	250.500,00	210.504,21
5	Construction of privately owned Ramifications for the connection of real estates to the sewerage network at the Municipal districts of N. Michaniona and Kerasia, of the Municipality of N. Michaniona (1st phase)	500.000,00	357.142,86
6	Construction of sewerage collector at the Municipality of Pefka	2.050.000,00	981.716,44
7	1st Group of Emergency Sewerage Works, year 2006	2.000.000,00	903.257,17
8	2nd Group of Emergency Sewerage Works, year 2006	1.135.000,00	549.248,81
9	3rd Group of Emergency Sewerage Works, year 2006	1.135.000,00	521.022,28
10	Construction of privately owned Ramifications for the connection of real estates with the sewerage network at the community of PEFKA (1st Phase)	500.000,00	289.915,97
11	Sewerage networks at the Municipal district of Aghios Athanasios	7.043.000,00	2.889.334,39
12	Construction of complementary waste waters network of the Municipality of Panorama (2nd Phase)	2.500.000,00	1.199.846,17
13	Expansions of the Sewerage Network in dispatch and with participation of third parties in the cost, year 2007 (1st Phase)	1.135.000,00	495.966,38
14	1st Group of Emergency Sewerage Works, year 2007	2.000.000,00	991.596,64
15	Construction of privately owned Ramifications for the connection of real estates with the sewerage network at the municipal districts of Perea, Municipality of Thermaikos. (1st Phase)	500.000,00	264.705,88
16	Construction of privately owned Ramifications for the connection of real estates with the sewerage network at the municipal districts of Aghia Triada and N. Epivates, of the Municipality of Thermaikos.	500.000,00	302.521,01
TOTAL		35.612.650,00	18.429.969,53

WATER SUPPLY

No	WORK	BUDGET AFTER VAT	CONTRACT AMOUNT PRE VAT
1	Installation of 56.000m. Of water supply ducts in the region of Western Thessaloniki	5.800.000,00	2.900.000,02
2	Installation of 34.000m. Of water supply ducts in the region of Eastern Thessaloniki	3.529.661,02	1.720.338,99
3	Maintenance of the Facilities of EYAΘ SA, YEAR 2007	1.000.000,00	482.880,21
4	Water supply of the regions of Nikopolis of the Municipalities of Stavroupoli and Polichni and Anthokipi of the Municipality of Polichni	2.695.350,00	1.188.743,05
5	Construction of the supply duct of the reservoir at the community of. N. Efkarpia	440.300,00	203.420,23
6	Ramifications - expansion of the water supply and densification - replacement of the valves at the city of Thessaloniki, Year 2007 (1st Phase)	600.000,00	
TOTAL		14.065.311,02	6.495.382,50

ANNEX "G"

Funds absorbed in 2007 (per six-month period)

SEWERAGE

No	WORK	1st six-month period of 2007	2nd six-month period of 2007	TOTAL PRE VAT
1	Emergency small scale sewerage works in 2003	25.988,40	0,00	25.988,40
	COMPLEMENTARY CONTRACT	12.985,79	0,00	12.985,79
2	1st Group of Emergency Sewerage Works, year 2003 A.Σ. & 1st Σ.Σ.	0,00	10.800,09	10.800,09
3	Expansions of sewerage networks in dispatch and with participation of third parties in the cost, year 2003 (2nd Phase)	12.857,93	0,00	12.857,93
	COMPLEMENTARY CONTRACT	1.850,00	0,00	1.850,00
4	Construction of waste and rain waters at Karaoli - Dimitrou street (from Monastiriou to Dodekanissou street) at the Municipality of Evosmos	0,00	2.607,08	2.607,08
	COMPLEMENTARY CONTRACT	0,00	11.956,35	11.956,35
5	Expansions of sewerage networks in dispatch and with participation of third parties in the cost, year 2004	0,00	5.610,23	5.610,23
	COMPLEMENTARY CONTRACT	163.742,77	8.519,23	172.262,00
2	1st Group of Emergency Sewerage Works, year 2004		82.268,91	82.268,91
	COMPLEMENTARY CONTRACT		163.445,38	163.445,38
6	Construction of privately owned Ramifications for the connection of real estates with the sewerage network in regions of the City of Thessaloniki; competence of EYAΘ SA in the years 2004-2005	0,00	21.303,49	21.303,49
	COMPLEMENTARY CONTRACT	0,00	68.000,00	68.000,00

7	Construction of internal sewerage networks at the Municipal Dpt. of Tagarades and N. Redestos of the Municipality of THERMI, THESSALONIKI	94.117,64	61.879,75	155.997,39
	COMPLEMENTARY CONTRACT	499.579,83	333.612,52	833.192,35
8	Building of Chemical control Laboratories of and Technical Services of EYAΘ SA	125.846,18	209.218,49	335.064,67
	COMPLEMENTARY CONTRACT	882.352,94	0,00	882.352,94
9	Completion of the sewerage networks in the Tourist Regions of Thessaloniki in the MUNICIPALITIES OF THERMAIKOS & N. MICHANIONA	858.025,21	994.117,64	1.852.142,85
10	Emergency small scale sewerage works in 2005	348.110,43	0,00	348.110,43
11	Construction of complementary sewerage networks at the Municipality of Panorama	58.571,43	51.529,41	110.100,84
	COMPLEMENTARY CONTRACT	85.042,02	96.218,49	181.260,51
12	Construction of sewerage works in the region of Sindos, Municipality of Echedoros and Pefka of Thessaloniki	1.218.504,21	1.015.258,42	2.233.762,63
13	Sewerage networks at the Municipal district of Aghios Athanasios	0,00	1.026.890,75	1.026.890,75
14	Construction of wastewaters collector for the Physical Education School (T.E.Φ.A.A.) – the National centre of research and technological Development – the Museum of Technology and the “Leda-Maria” settlement at the Municipalities of Pylea and Thermi, Thessaloniki	106.815,95	81.389,77	188.205,72
15	Sewerage networks in M.D. of Plagiari, Municipality of Mikra	139.756,07	259.130,25	398.886,32
16	Expansions of the Sewerage Network in dispatch and with participation of third parties in the cost, year 2006	526.494,03	393.672,27	920.166,30
17	Construction of privately owned Ramifications for the connection of real estates with the sewerage network in regions of the City of Thessaloniki; competence of EYAΘ SA in the year 2006	211.848,74	285.714,09	497.562,83
	COMPLEMENTARY CONTRACT		32.184,87	32.184,87
18	Construction of privately owned Ramifications for the connection of real estates to the sewerage network at the Municipal districts of N. Michaniona and Kerasia, of the Municipality of N. Michaniona (1st phase)	76.600,00	43.690,00	120.290,00
19	Construction of sewerage collector at the Municipality of Pefka	432.069,84	223.347,13	655.416,97
20	Construction of Waste Waters Collectors at Oreokastro and translocation of the existing pump house	216.029,41	151.747,90	367.777,31
21	Expansions of the Sewerage Network in dispatch and with participation of third parties in the cost, year 2006 (1st Phase)	16.592,40	0,00	16.592,40
22	Construction of Sewerage Duct through the Karatasou Military Camp for the draining of the New Military Hospital of Thessaloniki	121.008,40	0,00	121.008,40
23	Construction of waste and rain waters of the Region of Alana, Toumpa of the Municipality of Thessaloniki	93.840,34	109.831,93	203.672,27
24	maintenance of facilities of EYAΘ SA, 2005	282.352,95	188.319,34	470.672,29
	COMPLEMENTARY CONTRACT		185.714,29	185.714,29
25	Construction of the Central Collector - Depression duct and Sewerage Network at the settlement of Thermi (3rd Phase) and Neo Risis of the Municipality of Thermi, Thessaloniki	0,00	19.683,37	19.683,37

26	Construction of privately owned Ramifications for the connection of real estates with the sewerage network at the community of PEFKA (1st Phase)		44.537,82	44.537,82
27	1ST GROUP OF EMERGENCY SEWERAGE WORKS, YEAR 2006		189.747,90	189.747,90
28	2ND GROUP OF EMERGENCY SEWERAGE WORKS, YEAR 2006		107.100,00	107.100,00
29	3RD GROUP OF EMERGENCY SEWERAGE WORKS, YEAR 2006		103.168,07	103.168,07
TOTAL SEWERAGE WORKS		6.610.982,91	6.582.215,23	13.193.198,14

WATER SUPPLY

No	WORK	1st six-month period of 2007	2nd six-month period of 2007	TOTAL PRE VAT
1	Preservation & maintenance of the aqueduct of Narres in the period 2004-2005	13.474,87	0,00	13.474,87
	COMPLEMENTARY CONTRACT	0,00	6.654,26	6.654,26
2	Installation of 56.000m. Of water supply ducts in the region of Western Thessaloniki	352.421,00	516.373,08	868.794,08
3	Installation of 34.000m. Of water supply ducts in the region of Eastern Thessaloniki	503.067,26	172.134,46	675.201,72
4	Installation of 18.000m. Of water supply ducts in the region of Central Thessaloniki	161.008,41	49.243,70	210.252,11
TOTAL WATER SUPPLY WORKS		1.029.971,54	744.405,50	1.774.377,04
GENERAL TOTAL		7.640.954,45	7.326.620,73	14.967.575,18

WORKS FINANCED BY EYAO ΠΑΓΙΩΝ

No.	WORK	Budget of Study (after VAT)	Budget of Work (after VAT)	Date of Contract	Date of Termination	Compensation of EYAO S.A.
1	Construction of sewerage works in the region of Sindos, Municipality of Echedoros and Pefka of Thessaloniki (ΠΑΓΙΩΝ - Cohesion Fund)	13.600.000,00	6.489.722,49	20/10/2005	20/6/2007	380.000,00
2	Completion of the sewerage networks in the Tourist Regions of Thessaloniki in the Municipalities of THERMAIKOS & N. MICHANIONA (ΠΑΓΙΩΝ)	12.600.000,00	6.364.682,01	5/9/2005	31/1/2008	318.000,00
3	Construction of sewerage collector at the COMMUNITY OF PEFKA	2.050.000,00	1.168.242,56	3/8/2006	Continues	55.000,00
4	Construction of wastewaters collector ducts at the M. of Oreokastro and transfer of the already existing pump house. (ΠΑΓΙΩΝ)	999.000,00	509.489,99	11/9/2006	30/6/2007	25.000,00
5	Sewerage networks in M.D. of Plagiari, Municipality of Mikra	3.945.000,00	2.464.508,29	30/10/2006	Continues	125.000,00
6	Sewerage networks at the municipal region of Agios Athanassios	7.043.000,00	3.438.307,92	13/12/2006	Continues	170.000,00
TOTAL		40.237.000,00	20.434.953,26			1.073.000,00

ANNEX "I"

Participation of EYAO S.A. in research Programs financed either by EU funds, or by privately owned funds.

The programs are the following:

1) Development of tools and technologies for the management of underground water resources adapted to the recent climatic changes "GABARDINE", financed by the 6th European Program-Framework for the research, of total budget 3.557.906,77 €, scheduled from 1-11-2005 to 1-11-2008 with software product and acquisition of know-how in a particularly significant sector, that of water resources.

The objective of this program is the comprehension of the process of technical enrichment of the water stratum mainly by means of treated sewages and the development of tools and methodologies for the rational utilisation of the water reserves, taking into consideration the climatic changes as well. IN THIS program 14 partners from Greece, Spain, Portugal, France, Germany, Belgium, Britain, Romania, Israel and Palestine also participate.

2) Enrichment of the water stratum of the Industrial Zone of Thessaloniki (ΒΙΠΕΘ) with waste recovered from the Sewages Treatment Plant of Thessaloniki (ΕΕΛΘ), financed by the 3rd E.U. Support Framework, the European Business Program ENVIRONMENT (ΕΠΠΕΡ) with funds from the European Union and the MINISTRY OF ENVIRONMENT, URBAN PLANNING AND PUBLIC WORKS; budget 600.000 Euros scheduled from 1-8-2003 to 31-12-2007.

In the program there are two sub-projects in process:

a) "Planning - supply, installation and test of the system of micro filtration membranes and reverse Osmosis"

b) "Planning - supply, installation and test of the water stratum enrichment unit"

The object of this work is the water stratum enrichment with 500 m³ per day of treated sewages from the ΕΕΛΘ, which have undergone treatment so as to reach the quality of potable water via a system of micro filtration membranes and reverse osmosis. The underground water stratum enrichment is performed via drillings, while at the same time there are also piezometric drillings for the follow-up of the water stratum quality at the region of Sindos.

3) Production of biogas and co-production of electric power in the Sewages Treatment Plant of Thessaloniki (ΕΕΛΘ) financed by the program COMPETITIVENESS, Ε.Π.ΑΝ. - Action 2.1.3 of total budget 3.500.000€. The project concerns the utilization of the biogas produced in the Sewages Treatment Plant of Thessaloniki (ΕΕΛΘ) for the Co-production of Electricity and Heat and it is an investment for the utilization of renewable sources of energy - biogas from urban sewages. The program has been scheduled from

12-1-2006 up to 31/12/2007, while an extension was granted until 31-6-2008.

4) Water resources management project

Another action implemented in summer 2007 at the region of Chalastra – Kalohori was the usage of the treated water from the Sewages Treatment Plant of Thessaloniki (ΕΕΛΘ) for the irrigation of the crops. It is worth mentioning that this is pioneering in Greece, with the observation of all the relevant environmental conditions required on part of the state.

There was a long term preparation by conducting both small and large scale experiments as well as information campaigns for the final users and the general public as well. For the implementation of this action, there was collaboration of all the competent State Services and institutions (ΓΟΕΒ, ΙΕΒ, ΤΟΕΒ, the Regional Water Service of Central Macedonia, Prefecture Services).

5) Program for the Disposal of the silt produced at the Sewages Treatment Plant (ΕΕΛ) of ΕΥΑΘ for agricultural use.

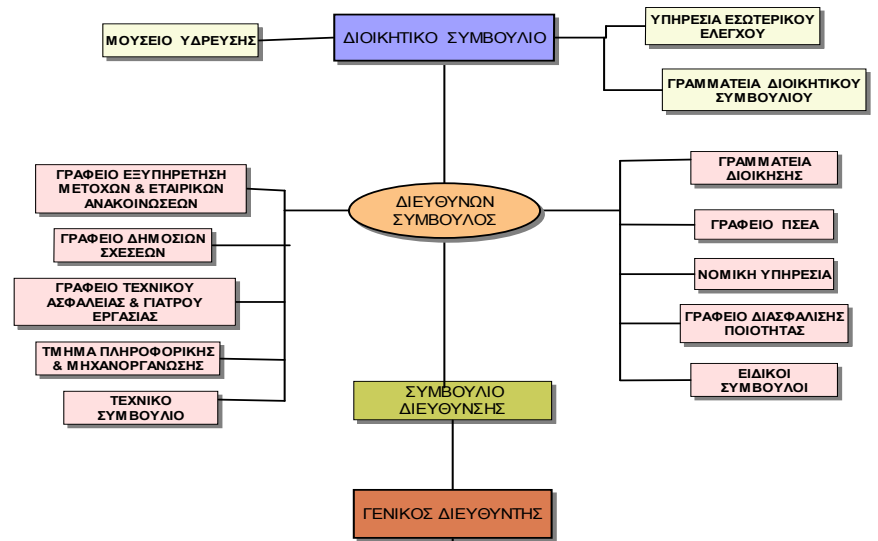
ΕΥΑΘ SA, apart from all the other actions taken concerning the management of the silt produced at the Sewages Treatment Plant (ΕΕΛ) of Thessaloniki and ΕΕΛ ΑΙΝΕΙΑ in Michaniona, has started, in collaboration with the Administration of Agriculture of the Prefecture of Thessaloniki and several farmers of the Prefecture, the disposal of the silt as a soil improving material in corps.

6) Research on further promotion of the project "Line of Environmental assistance for the minimisation of wastes produced" which was financed by the European program LIFE03 ENV/GR/0229; budget 1.088.756 Euros scheduled from 1-10-2003 to 30-11-2005 (it has been recently concluded). The main objective of the program was the motivation and support of industries to apply prevention of pollution practices with the production of publications of right practical use and a pilot unit of micro filtration membranes and reverse osmosis.

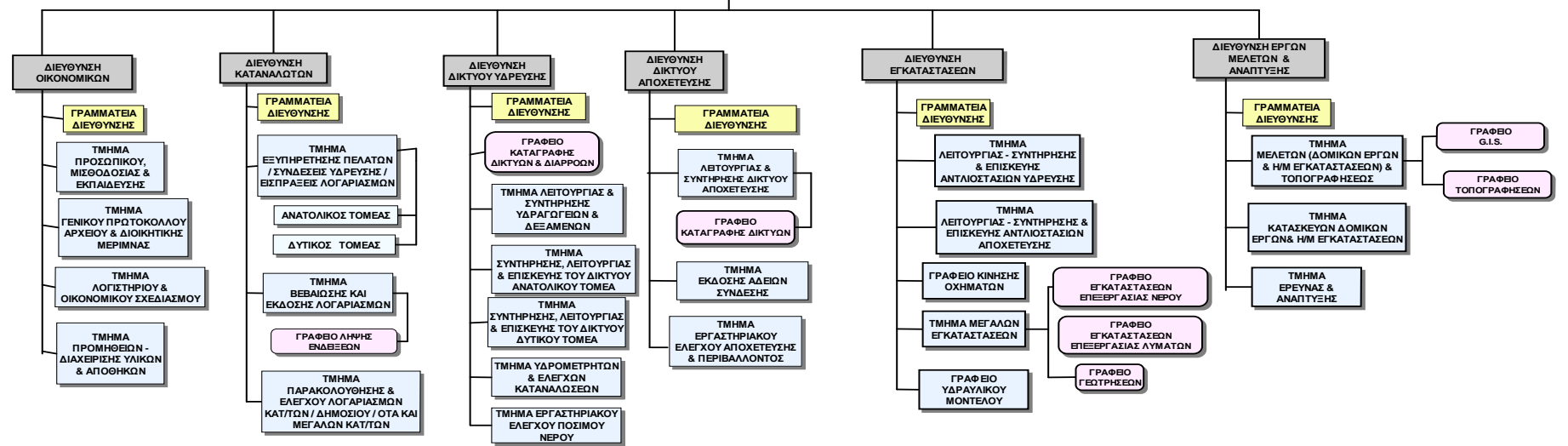
The work was implemented by ΕΥΑΘ SA, in collaboration with the ΒΙΠΕΤΒΑ ΗΜ, the Company for the Development of Private Infrastructures of Northern Greece (ΕΑΙΥΒΕ) and SIGMA CONSULTANTS LTD, Company of Development Advisers.

CHAPTER C'

BASIC STRUCTURE OF THE SERVICES PROVIDED BY EYATH SA



Created with the Trial Edition of SmartDraw 5.



LEGAL FRAMEWORK - ADMINISTRATION AND MANAGEMENT OF THE COMPANY

LEGAL FRAMEWORK: EYAΘ SA applies the laws on Joint Stock companies C. L. 2190/1920 as it is valid nowadays as well as L. 3016/2002 as a listed company. On the enactment of L. 3429/2007, the company complied its Articles of Association with the enacted Law in compliance with the dated on 28-6-2006 decision of the general Assembly of its Shareholders.

Board of Directors:

By virtue of article 13 of the Memorandum of association of EYAΘ SA, that was approved by virtue of the no. K2-16550/19-11-2007 decree of the Ministry of Development (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 13309/20-11-2007), the Company is managed by a Board of Directors that consists of nine (9) or eleven (11) members, who are elected by the General Assembly of the Shareholders of the Company. The service of the members of the BoD EYAΘ SA is five-year.

The members are distinguished in executive and non executive ones, from which at least the two are independent members. Two of its members are representatives of the workers.

By virtue of article 17 (Constitution of the Board of Directors) of the Memorandum of association, the Board of Directors after its formation, according to article 13 of the Memorandum, assembles and constitutes a body, electing the Chairman and one or more Co-chairmen. It can also elect from its members the Managing Director. The position of the Chairman and Managing Director can be occupied by the same person.

The Board of Directors by virtue of its decision selects the General Managers, determining at the same time their tasks as well.

Composition of the Board of Directors

The Board of Directors is convoked by its Chairman, in compliance with the provisions of the Memorandum of the Company and holds a meeting up to four times per month.

The Present composition of the Board of Directors is the following:

Name	Position at the BoD	Status
Mr. Skodras Georgios	Chairman & Managing Director Executive Member	Dr. Chemical Engineer
Mr. Smyris Pavlos	1st Co-chairman Executive Member	Prof. of Forestry
Mr. Ikonomou Athanassios	2nd Co-chairman, Independent Non Executive Member	Prof. of Agronomics
Mr. Papamimikos Andreas	Non Executive Member	Economist
Mr. Theotokis Kleovoulos	Non Executive Member	Businessman
Mr. Eminoglou Christodoulos	Independent, Non Executive Member	Survey Engineer
Mr. Spiliopoulos Athanasios	Non Executive Member	Economist
Mr. Tzimopoulos Christos	Non Executive Member	Professor at the Aristotle University of Thessaloniki
Mr. Samantzidis Minas	Non Executive Member	Physician
Mr. Arzoglou Nikolaos	Non Executive Member	EYAO SA Workers' Representative
Mr. Vasiliadis Dimitrios	Non Executive Member	EYAO SA Workers' Representative

The Board of Directors is the supreme administrative body of the Company, which mainly decides on its development strategy and policy, while it observes and controls the management of its assets. Its competency is determined by virtue of L.2190/1920 as it is in effect nowadays.

In the n the fiscal year 2007, the wages paid to the members by the meetings of the Board of Directors are presented in following table. (In the table there are also presented the names of the members of the Board of Directors who participated in it during the year 2006).

No.	FULL NAME	WAGES BoD.	COMPENSA TIONS	REGULAR WAGES	EMPLOYER'S CONTRIBUTI ONS	TOTAL
1	MR. SKODRAS GEORGIOS	7.990,00 €	103.192,98 €		8.016,15 €	119.199,13 €
2	MR. SMYRIS PAVLOS	7.990,00 €	12.699,00 €		45,00 €	20.734,00 €
3	MR. KARAMANLIS STAMATIOS	2.075,00 €	10.200,00 €		61,20 €	12.336,20 €
4	MR. PAPAMIMIKOS ANDREAS	7.520,00 €	8.072,14 €		24,12 €	15.616,26 €
5	MR. IKONOMOU ATHANASIOS	7.520,00 €	11.548,00 €		45,00 €	19.113,00 €
6	MR. CHANTES GRIGORIOS	1.135,00 €	2.235,64 €		13,42 €	3.384,06 €

7	MR. PAPADOPOULOS DIMITRIOS	5.130,00 €	9.587,56 €		26,34 €	14.743,90 €
8	MR. GRIVAS DIMITRIOS	4.935,00 €	10.373,68 €		24,12 €	15.332,80 €
9	MR. SPILIOPOULOS ANASTASIOS	6.070,00 €	8.072,14 €		24,12 €	14.166,26 €
10	MR. EMINOGLOU CHRISTODOULOS	5.170,00 €	6.048,45 €		24,12 €	11.242,57 €
11	MR. THEOTOKIS KLEOVOULOS	2.585,00 €	2.682,76 €		16,09 €	5.283,85 €
12	MR. TZIMOPOULOS CHRISTOS	1.645,00 €	1.341,38 €		8,04 €	2.994,42 €
13	MR. SUANIS EMMANUIL	4.465,00 €		23.017,30€	4.351,50 €	31.833,80 €
14	MR. ARZOGLOU NIKOLAOS	3.525,00 €		40.237,88€	0,00 €	43.762,88 €
15	MR. VASILIADIS DIMITRIOS	7.755,00 €		32.849,36€	6.006,57 €	46.610,93 €

For the wages of the members of the Board of Directors who are salaried by EYAΘ SA and represent the workers, 17.860,00 € were paid, while for the wages of the secretaries of the Board of Directors on all the meetings, 7.950,00 € were paid.

The total wages of the General Managers for the year 2007, amounted to 7.838,76 € and of the Managers to 348.113,05 €.

Brief CVs of the superior managerial staff per sector of employment are provided below:

Skodras Georgios, s/o Ioannis, Chairman and Managing Director. He is a Dr Chemical Engineer specialized in energy and environment. He has the position of Managing Director since 30/6/2005, while that of the Chairman since 9/11/2007

Laskaridis Ioannis, s/o Leonidas, General Manager. He is a Civil Engineer and he has been working in the Company since (O.A.Θ.).

Vasiliadou Niovi d/o Stavros, Financial Manager. She is a graduate of the School of Law and Economics, of the Aristotle University of Thessaloniki. She is with the Company since 1978 (O.Y.Θ.)

Papavasiliou Vassilios, s/o Nikolaos, Manager of the Consumers dpt. He is a graduate Economist of the Highest School of Industry of Thessaloniki. He is with the Company since 1975 (O.A.Θ.)

Pertidis Panagiotis s/o Leonidas, Works, Studies and Development Manager. He is a Civil Engineer. He has been working in the Company since 1986.

Sigioultzis Konstatinos, s/o Fotios, Water Supply Network Manager. He is a Topographer Agronomer Engineer. He is with the Company since 1975 (O.Y.Θ.)

Bouras Christos , s/o Andreas, Sewerage Network Manager.

He is a Topographer Enginee. He is with the Company since 1995 (O.A.Θ.)

Aggelou Georgios s/o Nikolaos, Plants Manager. He has a Degree of Mechanic – Electric

Engineer He has been working in the Company since 2002.

By virtue of article 23 of the Memorandum, the wages and compensations of the BoD are determined by virtue of a decision made by the Regular General Assembly of the shareholders.

It is also noted that there is no kinship of any degree between the members of the BoD and the managerial staff of the Company. In addition, no member of the BoD or the managerial staff of EYAΘ SA. It has been prosecuted for any disgraceful actions or economic crimes or they have been involved in juridical action concerning bankruptcy, crime or have been prohibited to exercise business activities, Stock Exchange transactions, the investments adviser profession, or to be managerial staff of banks and insurance companies, contractor of publication, executive of Stock Exchange companies etc.

It is also noted that apart from the transactions reported in the present Bulletin, no other business relation or transaction existed in the last three-year period and the current fiscal year between the administrative bodies, the managerial and monitoring bodies of the Issuing Company and the main shareholder with the Company itself.

The all members of the BoD and the managerial staff of the Company are Greek citizens. The postal address of the members of the BoD is the central offices of the Company at 127 Egnatia str., PC-546 35 Thessaloniki.

The independent, non executive members of the Board of Directors comply with the conditions of article 4 of L. 3016/2002 as it is valid.

Internal Control Service

The Company features an Internal Control Service, head of which is Mr. Lazaros Karikas, s/o Dimitrios and monitoring is practised by the members of the BoD, Mr. Papamimikos Andreas and Mr. Eminoglou Christodoulos, according to relative decision of the BoD of EYAΘ SA.

CHAPTER D'

Personnel

The personnel of the Company up to 31-12-2007 consisted of 509 individuals.

In the table that follows the change in the number of workers in the last five-year period is presented.

Nowadays, the average age of the workers in almost every speciality, is high, while it is expected that about 30 – 35% of the personnel to be retired within the three-year period of 2007 – 2009. Thus, the personnel can be promptly reconstructed.

SPECIALIZED PERSONNEL ALLOCATION TABLE

Categories of Personnel	2004	2005	2006	2007
Scientific Personnel	3	3	3	3
Administrative – Financial (UE)	23	23	22	18
Lawyers (UE)	3	3	3	3
Engineers (UE)	40	39	44	42
Chemists (UE)	4	4	6	7
Environmental (UE)	2	2	2	2
Physicians (UE)			1	1
Communication and Mass Media (UE)			1	1
Administrative - Accountant (TE)	11	13	13	13
Technological Application (TE)	25	31	31	27
Public Health Superv. – Food Technology (TE)	2	4	3	2
Collectors - Markers	2	2	2	2

Manag. Secretaries (SE)	83	82	74	72
Typewriters (SE)	1	1	2	2
Technicians (SE)	270	239	236	217
Operators (SE)	3	3	3	3
Nurses (SE)			1	1
Auxiliary Personnel (CE)	8	8	8	7
Cleaners (CE)	6	5	5	4
Watchmen (CE)	5	5	5	4
Workers (CE)	81	79	76	70
Collectors (CE)	12	12	10	8
Total	584	561	551*	509*

**It is noted that in the 509 employees Solicitors are also included*

The personnel of EYAΘ (former OYΘ and OAΘ) up to its conversion into a Joint Stock company was paid according to the provisions of Laws 1505/84, 1810/88 and 2470/97 on the single wage scale of the Public Employees

After the conversion of the Legal Entities of Public Law into Joint Stock Companies and their later merging in EYAΘ SA (1998) (1998), the personnel is paid via National Wage Contracts (ΕΣΣΕ).

DEVELOPMENT OF THE TOTAL COST OF WAGES (in thousands of €)

YEARS			
COST CATEGORY	2006	2007	Change
WAGES	19.337.594,81	19.759.466,88	2,18%
EMPL. CONTRIBUTIONS	3.818.008,28	4.212.881,77	10,34%
ADJUNCTIVE ALLOWANCES	146.045,08	178.884,38	22,49%
TOTAL	23.301.648,17	24.151.233,03	3,65%

CHAPTER E'
STATEMENT OF FINANCIAL ACCOUNTS

PART 1
IN COMPLIANCE WITH THE GREEK ACCOUNTING STANDARD

TURNOVER (Analytical statement of income)

COST (Analytical statement)

TABLES OF APPROPRIATION ACCOUNT (PROFITS)

STATEMENT OF THE BASIC ACCOUNTS OF FIXED ASSETS

I. TURNOVER

A. TURNOVER INCOME

A. WATER SALES

The main source of income of the Company is water sales that constitute the 58.72% of the total Turnover.

For the year 2007, the income from water sales amounted to the sum of **41.072.197.21 €**, which is analyzed as follows:

Income from water sales	2006	2007
73.00.00.00000 - General Tariff	33.524.091,60	35.248.732,03
73.00.00.00100 - Fixed Fees	4.507.923,60	4.761.073,01
73.00.00.00200 – Pre VAT	377.641,41	218.048,97
73.00.02.00000- Water sales to Municipalities & Local Gov. Organizations	251.403,90	844.343,20
73.00.00.00000 - General Tariff of ramification	--	--
73.00.80.00102 - Fixed Fees of ramification	--	--
TOTAL	38.661.060,51	41.072.197,21

That is, the income from the water sales for the year 2007 in comparison to the respective ones of 2006, presents an increase of 2.411.136,70 € or 6,24%.

It should be noted that in 2007 the number of the consumers amounted to 472.616 in comparison to 463.959 in 2006, i.e. there is an increase of 1.87%, due on the one hand to the natural increase of the number of the company customers and on the other to the by 4% average increase of household tariffs and the adjustment of prices of water to the State by 0.65 €/m³.

Respectively, the priced water quantities in 2007 amounted to 65.611.296 m³ in comparison to 65.380.355 m³ in 2005.

More specifically, the relation between water output – consumption and pricing of consumption in m³ in the two recent years is presented in the following table:

	2006	2007	Balance	Change %
CONSUMERS	463.959	472.616	8.657	1,87%
PRICED m³	65.380.355	65.611.296	230.941	0,35%

B. OTHER WATER SUPPLY INCOME

This category includes the all remaining income of the Water supply sector that does not originate from the water consumption, but rather constitutes income from the maintenance, mainly of the hydrometers, income from the placement of hydrometers etc., according to the following table.

This income comes under the Common decrees from 73.05 to 73.20, as they are analytically presented in the table that follows.

Type of Income	2006	2007	Balance	Change %
Fees of connection with the water supply network (73.05)	372.257,63	289.820,43	-82.437,20	-22,15%
Income from the maintenance of hydrometers (73.07)	4.034.377,22	4.441.695,89	407.318,67	10,10%
Income from the control of hydrometers (73.08)	16.036,18	15.315,41	-720,77	-4,49%
Income from the installation of hydrometers (73.09)	812.634,33	885.094,17	72.459,84	8,92%
Income from expenses of ramifications and connections of water supply (73.10)	850.570,28	956.608,18	106.037,90	12,47%
Income from repairs of the damage of water supply (73.12)	13.095,48	3.478,34	-9.617,14	-73,44%
Income from the expansion of the network (73.13)	324.935,54	271.485,67	-53.449,87	-16,45%
Income from re-installations (73.15)	28.807,94	46.281,22	17.473,28	60,65%
Income of transaction (73.17)	15.089,65	15.641,11	551,46	3,65%
Income from additional work (73.18)	130.220,06	368.552,50	238.332,44	183,02%
Other income (73.20)	2.333,26	2.321,00	-12,26	-0,53%

TOTAL (B) OTHER WATER SUPPLY INCOME	6.600.357,57	7.296.293,92	695.936,35	10,54%
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C. INCOME FROM THE USE OF THE SEWERAGE NETWORK (CD. 73.91.00-73.91.02)

This income up to late 2006 has been determined by means of Common Ministerial Decree and they have already been instituted into law.

Thus, in 2007 the income from the use of the Sewerage Network amounted to the 60% of the income from the water sales.

In the fiscal year 2006, this income was 16.864.001,88 € while in 2007 it amounted to **19.085,683,22 €** That is, there was an increase of 2.221.681.34 € or 13.17%.

TOTAL (C) INCOME FROM SEWERAGE NETWORK USAGE FEES
19.085,683,22 €

D. OTHER INCOME OF THE SEWERAGE NETWORK (CD. 73.91.20 – 30 – 40)

This income amounted in 2007 to **2.489.789,85 €** and it is:

TYPE OF INCOME	CD	2006	2007
Income from the right to use Biological Treatment	(73.91.07)	1.170,00	3.295,00
Income from the rights of connection with the network	(73.91.20)	1.410.988,01	1.141.847,87

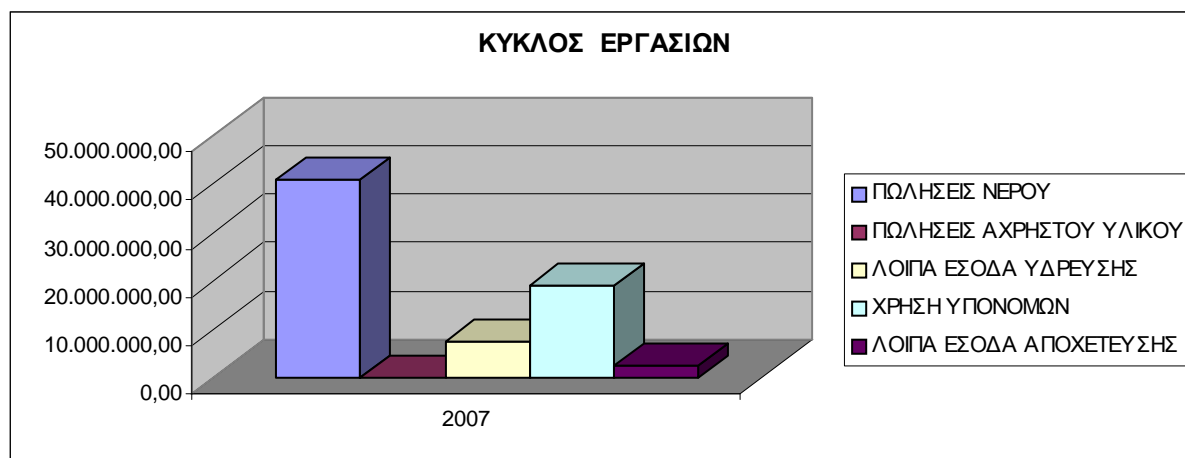
Income from expenses of external ramifications	(73.91.30)	808.046,23	853.136,02
Income from expansion expenses	(73.91.40)	721.020,13	462.253,96
Income from the repair of damages of the Sewerage network	(73.91.60)	2.440,00	1.992,00
Income from cost-plus sewerage works	(73.91.70)		
Income from qualitative and environmental control	(73.91.70)	34.600,00	27.265,00
TOTAL (4)			
FROM OTHER WATER SUPPLY INCOME		2.978.264,37	2.489.789,85

TURNOVER

After the analytic presentation of the individual sources of income for the year 2007, the concise picture of the accounts and their comparative development during the two-year period of 2006-2007 are as follows:

Categories of Income	2006	2007	Balance	Change
WATER SALES	38.661.060,51	41.072.197,21	2.411.136,70	6,24%
SALES OF USELESS MATERIAL	13.837,04	0,00	-13.837,04	
OTHER WATER SUPPLY INCOME	6.600.357,57	7.296.293,92	695.936,35	10,54%
SEWERAGE NETWORK	16.864.001,88	19.085.683,22	2.221.681,34	13,17%

USAGE				
OTHER SEWERAGE	2.978.264,37	2.489.789,85	-488.474,52	-16,40%
INCOME				
TOTALS	65.117.521,37	69.943.964,20	4.826.442,83	7,41%



II. OTHER INCOME FROM UTILIZATION (74.03 -74.04 - 74.90 - 74.91) (Other Organic Income)

The total of other income is as follows:

No.	Categories of Income	2006	2007
1	Special Subsidies & Subventions (Workforce Employment Organisation - ΟΑΕΔ etc)	192.159,75	72.218,88
2	Subsidies of ΕΥΑΘ ΠΑΓΙΩΝ	101.605,45	169.181,07
3	Subsidies of Other Institutes		

4	Refund on works implemented (decree no. 1931/19-12-2005 & 2488/29-12-2006 ΥΠΕΧΩΔΕ)	3.294.722,00	1.890.002,00
	TOTAL	3.588.487,20	3.588.487,20

III. INCOME OF ADJUNCTIVE OPERATIONS CD 75 (Other Organic Income)

The total of adjunctive operations is **389.767,31 €** and is analyzed as follows:

Categories of Income	2007
Income from work stoppages and strikes	38.081,55
Income from illnesses	139.379,12
Income from service provisions to third parties,	110.917,10
Income from rents	3.474,90
Income from fines and court expenses	97.914,64
TOTAL	389.767,31

IV. CAPITAL INCOME (76.01 – 76.03) (Other Organic Income)

This income derives from Credit Interest and income from Securities, which for 2007 were **936.074,12 €** in comparison to 138.949,72 € in 2006.

V. EXTRA AND INORGANIC INCOME CD 81.01
INCOME OF PREVIOUS FISCAL YEARS CD 82.01

CODE	2006	2007
Extra and inorganic income CD 81.01	334.410,37	632.262,50
Income of previous fiscal years CD 82.01	365.222,91	2.283.240,29
TOTAL	699.633,28	2.915.502,79

RESUME OF GENERAL INCOME

CD	Categories of Income	2006	2007	Change
72.73	Sales and Service Provision (Turnover)	65.117.521,37	69.943.964,20	7,41%
74.	Subsidies and several sales income	3.588.487,20	2.131.401,95	-40,60%
75	Income from Adjunctive Operations	367.064,11	389.767,31	6,19%
76	Capital Income (Credit interest)	138.949,72	936.074,12	573,68%
81+82	Extra & Inorganic income	699.633,28	2.915.852,77	316,77%
	TOTAL INCOME OF FISCAL YEAR	69.911.655,68	76.317.060,35	9,16%
	Plus Privately Owned Output of Assets	1.285.163,95	1.213.198,47	-5,60%
	TOTAL	71.196.819,63	77.530.258,82	8,90%

B. EXPENSES OF THE FISCAL YEAR

1. WAGES & EXPENSES ON PERSONNEL

The total of the "Wages and other Expenses on personnel" account for 2007 amounted to **24.151.232,03 €** in comparison to the 23.301.648,17 € for 2006.

It should be also noted that the amount of 23.301.648,17 € corresponded to 549 employees on 31-12-2006, while the amount of 24.151.232,03 € corresponds to 509 employees on 31-12-2007.

This means that the annual average cost per employee on 31-12-2007 amounted to 47.448,39 €.

COURSE OF PAYROLL COST

YEARS			
COST CATEGORY	2006	2007	Change
WAGES	19.337.594,81	19.759.466,88	2,18%
EMPL. CONTRIBUTIONS	3.818.008,28	4.212.881,77	10,34%
ADJUNCTIVE ALLOWANCES	146.045,08	178.884,38	22,49%
TOTAL	23.301.648,17	24.151.233,03	3,65%

2. WAGES & EXPENSES ON THIRD PARTIES (CD 61.00)

They are physical entities who are not employed by the Company, such as several co-operators or Legal Entities of private Law who provide know-how either in the form of information or GIS systems or by the conduction of other research.

This Expense in 2007 amounted to **2.608.581,29 €** in comparison to 1.510.907,05 € in 2006.

CD	TYPE OF EXPENSE	2006	2007	Change
61.00	Wages & Expenses on self employed, pay-as-earn individuals	590.631,36	981.747,95	66,22%
61.01	Wages & Expenses on non self employed, pay-as-earn individuals	242.519,55	284.781,96	17,43%
61.03	Processing by third parties	111.209,49	130.630,74	17,46%
61.90	Wages of third parties, non pay-as-earn	566.546,65	1.211.420,64	113,83%
	TOTAL	1.510.907,05	2.608.581,29	72,65%

3. ALLOWANCES TO THIRD PARTIES (62.00)

These Expenses refer to the operation and maintenance of the technical Facilities and networks of the Company, such as the Sewerage treatment Plant, the Central Refinery and the water supply and sewerage networks.

These Expenses “Allowances to third parties” in the year 2006 amounted to 22.284.571,84 € while in 2007 to **20.476.728,08 €**.

CD	TYPE OF EXPENSE	2006	2007	Change
62.00	Power Supply Organization (ΔEH)	7.743.253,43	8.304.851,78	7,25%
62.02	WATER SUPPLY	972	1.262,65	29,90%
62.03	Telecommunications	208.449,34	224.477,33	7,69%
62.04	Rents	541.582,18	513.823,82	-5,13%

62.05	Insurance fees	20.382,08	18.180,00	-10,80%
62.07	Repairs – Maintenance	13.708.131,92	11.337.993,26	-17,29%
62.98	Other allowances to third parties	61.430,89	76.139,24	23,94%
62.99	Several Expenses on third parties	370	0,00	
	TOTAL	22.284.571,84	20.476.728,08	-8,11%

4. DUTIES – FEES (63.02)

The Duties – Fees in 2007 amounted to **601.663,15 €** in comparison to 429.152,60 € in 2006. Briefly, the Duties – Fees analysis is as follows:

CD	TYPE OF DUTY - FEES	2006	2007
63.02	Stamps	16,4	147,84
63.03	Traffic fees	19.365,35	18.316,54
63.04	Municipal duty – fees	284.612,73	434.614,57
63.98	Other duty – fees	125.158,12	148.584,20
	TOTAL	429.152,60	601.663,15

5. SEVERAL EXPENSES (64)

GROUP	TYPE OF EXPENSE	2006	2007	Change
64.00	Expenses on transportation	195.511,09	206.108,26	5,42%
64.01	Travel Expenses	17.923,00	23.743,13	32,47%
64.02	Promotion & Advert. Expenses	110.245,68	303.221,79	175,04%

64.03	Trade fair & show Expenses	35.240,09	36.091,90	2,42%
64.05	Subscriptions – Contributions	20.158,96	36.002,32	78,59%
64.06	Donations – subventions	18.385,24	46.191,12	151,24%
64.07	Brochures – Stationary	112.722,99	115.597,55	2,55%
64.08	Consumables	615.256,22	1.065.779,06	73,23%
64.09	Publication Expenses	163.360,17	182.220,57	11,55%
64.10	Expenses of Participations & Securities	--	--	--
64.12	Loss from sale of Participations & Securities	--	--	--
64.98	Several expenses	424.303,87	434.552,28	2,42%
	TOTAL	1.713.107,31	2.449.507,98	42,99%

This category of expenses that do not directly contribute to the increase of the output cost, are increased in comparison to the year 2007, during which they amounted to **2.449.507,98 €**, a rate of increase equal to 42,99%.

6. INTEREST AND CONTIGUOUS EXPENSES 65

The gradual repayment of the long-term liabilities of the Company burdening it before the establishment of EYAΘ SA as such, and the absence of any new loan contracts, led to a gradual constant reduction of the interests and annuities. Thus, in 2007 the total interest amounted to **283.407,93 €** while in 2006 it was 370.523,05 €.

The relevant analysis is as follows:

CODE	TYPE OF EXPENSE	2006	2007
65.06	Interests and expenses of other short term liabilities	359.298,25	273.819,79
65.10-65.11-65.98	Warranty commissions - Banks and other expenses	11.224,80	9.588,14
	TOTAL	370.523,05	283.407,93

7. ASSETS DEPRECIATIONS INCORPORATED IN THE OPERATIONAL COST OF ACCOUNTS (66)

In the two tables that follow, the changes in the Assets of the company for the years 2006 and 2007 are presented.

More specifically:

The amount of Tangible Assets on 31-12-2007 amounted to 126.991.823,19 €, while the respective amount of depreciations to 29.476.916,14 € and the balance value amounted to 97.514.907,05 €. Respectively, the Establishment and First Investment Costs (CD 16.10) as well as the Other Investment Costs [(CD 16 – (16.10 and 16.12)] tend to be fully depreciated and have a minimum balance value of just 37.580,11 €.

It is also noted that in code 15.90 the water supply works held are observed and in code 15.91 the sewerage works. These works come under the “assets under construction” account, and they are not depreciated and only after they are completed they will be included to the Assets of EYAΘ in the codes 1290 and 1291, respectively.

In 2007, the total Assets depreciation of the data incorporated in the operational cost amounted to **7.017.321,68 €** in comparison to the 6.330.971,74 € in 2006. In the other two consecutive tables the course of depreciations is presented.

ASSETS CHANGE TABLE (1/1/07-31/12/07)

Description	Acquisition value 31.12.2006	Additions - Purchases of the year 2007	Deductions – Sales of the year 2007	Acquisition value 31.12.2007	Depreciated until 31.12.2006	Depreciations of Additions - Purchases of the year 2007	Depreciations of Deductions – Sales of the year 2007	Depreciated until 31.12.2007	Non Depreciated Remainder until 31.12.2007
1. Establishment & Intangible Assets Expenses (16.10)	519.363,90	0,00	0,00	519.363,90	519.363,48	0,00	0,00	519.363,48	0,42
2. Other Establishment Expenses (16-(16.10, 16.12))	2.961.489,58	40.004,56	0,00	3.001.494,14	2.924.336,68	39.577,77	0,00	2.963.914,45	37.579,69
3. Research & Development expenses until 16.12)	5.528.603,82	712.627,93	0,00	6.241.231,75	3.949.356,35	703.019,14	0,00	4.652.375,49	1.588.856,26
4. Fields - Lots (10)	11.150.006,54	0,00	0,00	11.150.006,54	0,00	0,00	0,00	0,00	11.150.006,54
5. Buildings & Technical works (11)	6.816.027,23	0,00	0,00	6.816.027,23	2.593.802,17	341.112,30	0,00	2.934.914,47	3.881.112,76
6. Machinery - Mechanical Equipment (12-12.89)	1.783.230,45	256.211,87	0,00	2.039.442,32	1.223.075,31	178.107,59	0,00	1.401.182,90	638.259,42
6a. Hydrometers installed (12.90.08)	13.020.610,31	596.944,05	21.243,38	13.596.310,98	4.821.371,33	1.327.090,58	16.926,46	6.131.535,45	7.464.775,53
6b. Water supply network ducts & Technical facilities (12.90)	29.989.522,54	2.572.861,10	0,00	32.562.383,64	6.673.161,88	2.863.904,93	0,00	9.537.066,81	23.025.316,83
6c. Sewerage network ducts & Technical facilities (12.91-93)	41.959.346,20	6.439.330,68	96.328,92	48.302.347,96	2.894.295,22	1.182.072,66	0,00	4.076.367,88	44.225.980,08
7. Transportation means (13)	2.329.126,15	0,00	0,00	2.329.126,15	2.154.235,23	161.512,23	0,00	2.315.747,46	13.378,69
8. Furniture and other equipment (14)	3.097.161,70	194.999,60	1.792,58	3.290.368,72	2.860.969,25	220.924,48	1.792,56	3.080.101,17	210.267,55
9. Fixed assets under construction (15)	5.709.244,15	10.277.348,79	9.080.783,29	6.905.809,65	0,00	0,00	0,00	0,00	6.905.809,65
10. Participation in subsidiaries & other long-term claims (18)	348.039,13	72.703,91	0,00	420.743,04	0,00	0,00	0,00	0,00	420.743,04

TOTAL	125.211.771,70	21.163.032,49	9.200.148,17	137.174.656,02	30.613.966,90	7.017.321,68	18.719,02	37.612.569,56	99.562.086,46
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DEPRECIATIONS 31-12-2007

Accounting Accounts	ASSETS	Acquisition Value	Depreciations	Total Depreciations	Comments
	B. ESTABLISHMENT EXPENSES				
16.10	1. Establishment & 1 st investment expenses	519.363,90	0,00	519.363,48	
16-(16.10,16.12)	4. Other establishment expenses	3.001.494,14	39.577,77	2.963.914,45	
		3.520.858,04	39.577,77	3.483.277,93	
	C. FIXED ASSETS				
	I. Intangible Assets				
16.12	1. Research & Development Expenses	6.241.231,75	703.019,14	4.652.375,49	
	II. Tangible Assets				
10	1. Fields – Lots	11.150.006,54	0,00	0,00	
11	3. Buildings & Technical works	6.816.027,23	341.112,30	2.934.914,47	
12-12.90.08	4. Machinery – technical installations & Other mechanical equipment				
12.90.08	4a. Hydrometers installed	13.596.310,98	1.327.090,58	6.131.535,45	
13	5. Transportation means	2.329.126,15	161.512,23	2.315.747,46	
14	6. Furniture & other equipment	3.290.368,72	220.924,48	3.080.101,17	
15	7. Assets under construction & prepayment	6.905.809,65	0,00	0,00	
		126.991.823,19	6.274.724,77	29.476.916,14	
	Total Assets (B+CI+CII)	136.753.912,98	7.017.321,68	37.612.569,56	
	III. Participation in other subs. & other long-term financial claims				
18		420.743,04	0,00	0,00	
	Total Fixed Assets (B+CI+CI+CIII)	137.174.656,02	7.017.321,68	37.612.569,56	

In the closing accounts, the depreciations are under the codes 66.01, 66.02 corresponding as follows to the Fixed Assets:

GROUP	TYPE OF DEPRECIATION	2006	2007
66.01	Depreciations of Buildings & Technical works	341.112,30	341.112,30
66.02	Depreciations of Machinery – technical installations & other expenses	4.778.212,90	5.551.175,76
66.03	Depreciations of Transportation means	167.703,20	161.512,23
66.04	Depreciations of Furniture & other equipment	221.128,15	220.924,48
66.05	Depreciations of intangible assets & other expenses	822.815,19	742.596,91
	TOTAL	6.330.971,74	7.017.321,68

8. FISCAL YEAR PROVISIONS

The possibility to compensate the personnel leaving either due to retirement or redundancy enforce the raising of an amount as an expenses provision, which will burden the closing fiscal year of 2007 and is presented in the table below:

DESCRIPTION	2006	2007
Compensation provisions for the newly hired employees due to redundancy L. 2112/20	121.938,31	106.400,58
Compensation provisions due to retirement AN 1846/51	585.000,00	627.341,84
a) Readjustment of previous years	195.171,59	301.068,51
b) Year 2007	1.093.748,62	1.093.748,62

The total provisions formatted on 31-12-2007, as represented in the balance sheet, (i.e. a provision for 2006 plus the amount of balance of previous years) is **4.271.089,10 €** and are analyzed as follows:

a) Compensation provisions for the newly hired employees due to redundancy L.2112/20: 519.898,41 €, **b)** Compensation provisions due to retirement AN 1846/51: 1.065.000,00 € and **c)** Provisions for the gratuity payment L.103/1975: 2.686.190,69 €.

9. RESERVES

The value of reserves on 31-12-2006 was **2.006.810,30 €** (CD 25.00.30.00001 opening reserves).

In the year 2007, purchases of 1.991.337,84 €, (thus, the total amount was 3.998.148,14 €) and extraction of material worth 2.211.575,97 were made.

The final reserves in the balance sheet on 31-12-2006 amounted to **1.786.572,17 €**

BALANCE SHEETS	RESERVES VALUE IN €	RATES PER YEAR
31-12-2003	3.953.912,01	- 12%
31-12-2004	2.603.946,59	- 33%
31-12-2005	1.978.072,27	-24%
31-12-2006	2.006.810,30	1,4%
31-12-2007	1.786.572,17	-11%

10. EXTRA AND INORGANIC EXPENSES (81 - 82)

The extra and inorganic expenses amounted to 599.034,27 €.

The expenses from previous fiscal years are 532.223,64 €.

The extra losses amount to 4.766,88 €

In total, the Inorganic and Extra expenses as an account deduced from the total assets of the fiscal year amount to **1.136.024,79 €**.

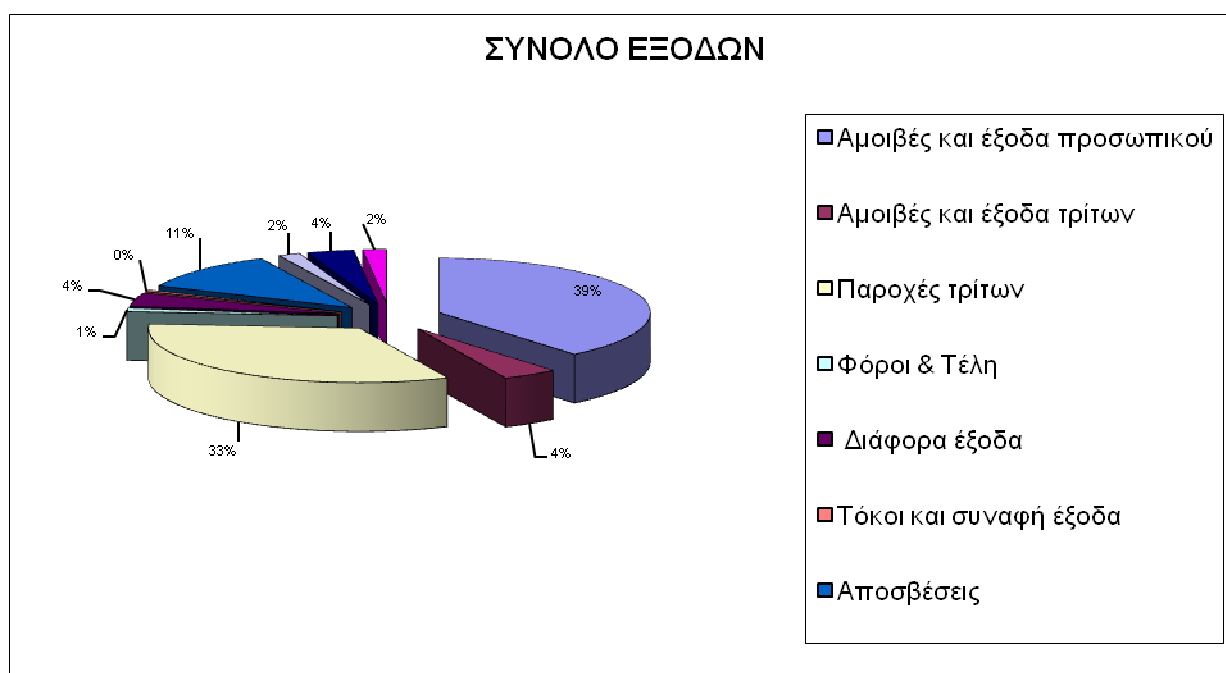
The relevant table is as follows:

ACCOUNT	DESCRIPTION	2006	2007	Change
81.00	Εκτακτα και ανόργανα έξοδα	661.478,29	599.034,27	-9,44%
81.02	Εκτακτες ζημιές	12.985,32	4.766,88	-63,29%
82.00	Εξοδα προηγούμενων χρήσεων	30.276,97	532.223,64	1657,85%
	TOTAL	704.740,58	1.136.024,79	61,20%

RESUME OF EXPENSES

CD	TYPE OF EXPENSES	2006	2007	Change
60	Wages and expenses on personnel	23.301.648,17	24.151.233,03	3,65%
61	Wages and expenses on third parties	1.510.907,05	2.608.581,29	72,65%
62	Allowances to third parties	22.284.571,84	20.476.728,08	-8,11%
63	Duties & Fees	429.152,60	601.663,15	40,20%
64	Several Expenses	1.713.107,31	2.449.507,98	42,99%
65	Interest and contiguous expenses	370.523,05	283.407,83	-23,51%
66	Depreciations	6.330.971,74	7.017.321,68	10,84%

68	Fiscal year provisions	1.093.748,62	1.034.810,93	-5,39%
20,25	Purchases and reserves Adjustment	2.258.498,50	2.211.575,97	-2,08%
81,82,83	Extra and inorganic expenses	704.740,58	1.136.024,79	61,20%
	TOTAL EXPENSES OF FISCAL YEAR 2007	59.997.869,46	61.970.854,73	3,29%
	Less: Privately owned output expenses that become assets	1.285.163,95	1.213.198,47	-5,60%
	TOTAL EXPENSES	58.712.705,51	60.757.656,26	3,48%



III. APPROPRIATION ACCOUNT (PROFITS)

The net profit pretax, as well as their disposal is presented in the following table.

	General fiscal year income	76.317.060,35
less	General fiscal year expenses	60.757.656,26
	Net profit pretax	15.559.404,09
less	Income tax	4.033.088,00
Plus	Remainder of profits from previous fiscal years	30.523.787,75
	Profits from fiscal year 2006 to be disposed	46.083.191,84

PRIVATELY OWNED OUTPUT OF FIXED ASSETS 1.213.198,47 €

This is the participation of the Company by privately owned means (hydrometers, employees for the increase of the value of the water supply and sewerage assets) and is analyzed as follows:

Value of privately used materials	416.172,42
Value of privately used labour	797.026,05
Total	1.213.198,47

PART 2

IN COMPLIANCE TO THE INTERNATIONAL FINANCIAL INFORMATION STANDARDS (I.F.I.S.)

BALANCE SHEET

ASSETS

Fixed Assets

	Σημείωση	31/12/2007	31/12/2006
Tangible assets	13	85.942	80.469
Intangible assets	14	152	172
Long-term claims	15	361	348
Postponed tax claims	11	0	703
Total fixed assets		<u>86.455</u>	<u>81.692</u>

Current Assets

Stocks	16	1.187	1.407
Customers & other claims	17	31.913	26.947
Cash on hand and money reserves	18	13.152	10.358
Total current assets		<u>46.252</u>	<u>38.712</u>

TOTAL ASSETS

132.707 **120.403**

LIABILITIES

OWNER'S EQUITY

Equity capital	19	40.656	20.328
Adjustment from the issuing of shares above par	19	2.830	2.830
Reserves	20	24.474	23.837
Profit (loss) carried forward		14.482	26.323
Total owner's equity		<u>82.442</u>	<u>73.318</u>

LIABILITIES

Long-term Liabilities

Loans	21	3.110	4.718
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Employees' rights	22	6.597	7.174
Risk provisions	23	2.515	2.165
Future income from state subsidies	24	5.504	5.240
Postponed tax liabilities	11	9	0
Other long-term liabilities	25	9.444	8.676
Total long-term liabilities		<u>27.180</u>	<u>27.973</u>
Short-term liabilities			
Suppliers & other liabilities	26	16.042	13.732
Loans	21	1.608	1.600
Short-term tax liabilities		5.435	3.779
Total short-term liabilities		<u>23.084</u>	<u>19.112</u>
Total Liabilities		<u>50.264</u>	<u>47.085</u>
TOTAL OWNER'S EQUITY & LIABILITIES		<u>132.707</u>	<u>120.403</u>

ANALYSIS OF THE BASIC ACCOUNTS OF THE BALANCE SHEET

31-12-2007

(the amounts are in thousands €)

ASSETS

The annual financial statements of the period 1/1-31/12/2007 have been drawn up on the basis of the same accounting standards and methods that were followed for the drawing up of the annual statements of the fiscal year that ended on 31st December 2006. More specifically, the accounting standards followed is the following:

Tangible fixed assets

The tangible fixed assets are represented in the financial statements at their acquisition values. On 1st January 2004 the privately owned fields – lots, the buildings and the machinery of the Company were estimated in their reasonable value, which was determined on the basis of a research conducted by acknowledged, independent real estate raters. These reasonable values were used as an estimated cost on the date the International Financial Information Standards were followed. The surplus value derived was credited to the profits carried forward. These values are represented reduced: (a) by the accumulated depreciations and (b) by the depreciation of the assets.

The initial acquisition cost of a real estate, a facility or equipment consists of the price of purchase, including the import duties and the non refundable purchase taxes, as well as any other compulsory cost, so as the asset to be rendered operable and ready to be used as designated.

Later expenses that are made in combination to tangible assets are capitalized only when they increase the future financial profits that are expected to result from the utilization of accounts influenced. All other expenses on repairs, maintenance, etc of the assets are registered in the expenses of the fiscal year in which they are realised. On withdrawal or sale of any asset, the relative cost and the accumulated depreciations are erased from the corresponding accounts in the period of withdrawal or sale and the relative profits or loss are acknowledged in the gain account of the fiscal year.

The depreciation burden the Statement of the Fiscal Year Gain, on the basis of the constant depreciation method, throughout the estimated useful life of assets. The fields and lots are not depreciated. The estimated duration of useful life, on each assets category, is as follows:

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

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

Intangible assets

Software

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

The depreciations of software burden the gain account with the method of constant depreciation, throughout their useful life. The estimated duration of their useful life is as follows:

Software	6	years
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Depreciation of the value of assets

The intangible and tangible assets and other non current assets are examined for any depreciation loss, whenever facts or change of circumstances show that their book value can be repossessed. Whenever the book value of any asset exceeds its sum of repossession, its corresponding depreciation loss is registered in the gain of the fiscal year. The repossession value of an asset is the highest sum between the estimated net price of sale and the value of its use. Net value of sale is considered the feasible revenue from the sale of an asset in the framework of mutual transaction, in which the parties have complete knowledge and act willingly, after the deduction of any additional direct cost of disposal of this asset. Value of use is the current value of the estimated future cash flows that are expected to be realised from the continuous use of the asset and from its disposal at the end of his useful life. If does there is no possibility to estimate the repossession sum of the asset, for which there is evidence of depreciation of its value, then the repossession sum of unit that creates cash flows, in which the asset belongs, is determined.

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

The tangible assets of the Company are analyzed as follows:

	Fields & lots	Buildings & facilities	Machinery & mechanical installations	Transport means	Furniture & other equipment	Assets under construction or installation	Total
<u>Acquisition or rating value</u>							
On 31/12/2006	18.896	5.826	59.850	1.102	1.414	2.920	90.008
Charges of fiscal year 2007	0	0	8.836	0	195	11.959	20.989
Credits of fiscal year 2007	0	0	954	0	2	9.269	10.225
Total on 31/12/2007	18.896	5.826	67.732	1.102	1.607	5.610	100.773
<u>Accumulated depreciations</u>							
On 31/12/2006	0	437	8.016	412	675	0	9.539
Charges of fiscal year 2007	0	146	4.868	138	159	0	5.310
Credits of fiscal year 2007	0	0	17	0	2	0	19
Total on 31/12/2007	0	582	12.867	549	832	0	14.830
<u>Non Depreciated value</u>							
On 31/12/2006	18.896	5.389	51.835	690	738	2.920	80.469
On 31/12/2007	18.896	5.243	54.866	553	775	5.610	85.942

The depreciations of the current fiscal year increased the cost of sales at € 4.321 (2006: € 3.900), the expenses of administrative operation at € 846 (2006: € 842), the expenses of research and development at € 6 (2006: € 6) and the expenses of operation of disposal at € 136 (2006: € 172).

On the assets of the Company there are no encumbrances.

Intangible assets

The intangible assets of the Company are analyzed as follows:

	Software	Total
<u>Acquisition or rating value</u>		
On 31/12/2006	376	376
Charges of fiscal year 2007	40	40
Credits of fiscal year 2007	0	0
Total on 31/12/2007	416	416
<u>Accumulated depreciations</u>		
On 31/12/2006	204	204
Charges of fiscal year 2007	60	60
Credits of fiscal year 2007	0	0
Total on 31/12/2007	264	264
<u>Non Depreciated value</u>		
On 31/12/2006	172	172
On 31/12/2007	152	152

The depreciation of the current fiscal year have increased to € 48 (2006: € 0) the income from administrative operation, at € 10 (2006: € 60) the expenses of administration operation and at € 2 (2006: € 0) the expenses of operation.

1.2 Long-term Claims

The long-term claims on the 31st December 2007, represent given guarantees of € 361.

1.3. Income tax (current and postponed)

The current and postponed income tax are calculated on the basis of the relevant funds in the financial statements, according to the tax laws that are in effect in Greece. The current income tax concerns the taxation of the taxable profits of the Company as they were reformed according to the requirements of tax law, and was calculated on the basis of the tax rate in effect.

The postponed taxation is calculated using the liability method in the all provisional tax adjustments on the date of the balance-sheet between the tax basis and the book value of the assets and liabilities.

The expected tax consequences from the provisional tax adjustment are determined

and presented either as future (postponed) tax liabilities, or as postponed tax claims. Postponed tax claims are registered for all the rebated provisional adjustments and the transferred tax loss, to the extent that is speculated that there will be available taxable profit against which the rebated provisional adjustment can be made productive.

The book value of postponed tax claims is revised in every date of balance-sheet and it is decreased to the extent that it is not speculated that there will be enough taxable profits against which a part or the whole of postponed tax claims is to be used.

The current tax claims and liabilities for current and the previous fiscal years are estimated as equal to the sum that is expected to be paid in the tax authorities (or recovered from them), with the use of tax rates (and tax laws) that have been enacted, or substantially enacted, up to the date of the Balance-sheet.

The fact that in certain cases income and expenses are acknowledged at different times concerning where this income is taxed or the expenses are deducted, for reasons of determination of the taxable income, creates the need of accountant acknowledgment of deferred tax assets or deferred tax liabilities. The recognized by the Company deferred tax requirement is analyzed as follows

	On 31/12/2007	On 31/12/2006
Postponed tax claims	3.660	4.115
Postponed tax liabilities	(3.669)	(3.412)
Total of postponed taxes in the balance sheet	<u>(9)</u>	<u>703</u>

	On 31/12/2007	On 31/12/2006
Opening balance	703	1.322
Gain tax	(712)	(619)
Owner's Equity tax	0	0
Final balance	<u>(9)</u>	<u>703</u>

	On 31/12/2006	Charges (Credits) of Gains	Charges (Credits) of Owner's equity capitals	On 31/12/2007
Postponed tax liabilities				
Financial depreciations of tangible assets	(3.412)	(84)	0	(3.496)
Adjustment of fixed assets	0	(173)	0	(173)
	<u>(3.412)</u>	<u>(257)</u>	<u>0</u>	<u>(3.669)</u>

Postponed tax claims

Cross-entry of assets readjustment	550	0	0	550
Adjustments of assets value	741	(116)	0	625
De-acknowledgement of expenses of long depreciation	440	(53)	0	387
Adjustments of accounts receivable value	130	82	0	212
Adjustments of stock estimation	174	(24)	0	150
Provision of staff compensation due to retirements form the company	2.080	(431)	0	1.649
Provision of distribution to personnel	0	88	0	88
	4.115	(455)	0	3.660
Net postponed tax claims in the balance sheet	<u>703</u>	<u>(712)</u>	<u>0</u>	<u>(9)</u>

2.1. Stock

The stock is represented in the lower value between the cost of its acquisition or production and its cash value. Cash value is the estimated price of sale, decreased by the cost of disposal of stock. The cost of stock is determined with the method of weighted average and it includes the expenses of acquisition of stock, its expenses of production (provided that they are privately produced products) and its expenses of transport to the place it is found.

Specifically the stock of specialised parts of machinery that is bought at the stage of the machinery purchase is considered integral part of the value of the machinery and is depreciated along with the machinery, while the replacements of used parts are included in the expenses on its purchase. On the contrary, the consumables of machinery maintenance and the parts of general use are included in the stock and are included in the expenses on their consumption.

The stock of the Company are analyzed as follows:

	On 31/12/2007	On 31/12/2006
A' and B' materials -Consumables-Package materials	1.187	1.407
	<u>1.187</u>	<u>1.407</u>

2.2. Customers and other claims

The claims from customers are registered initially in their reasonable value and later are valued to their non depreciated cost by use of real interest-rate, after the deduction of the depreciation loss as well. The depreciation loss (losses by precarious claims) is acknowledged when there is objective evidence that the Company cannot collect the all amounts owed on the basis of conventional terms. The amount of depreciation loss is the difference between the book value of the

claims and the current value of the estimated future cash flows, prepaid on real interest-rate. The amount of depreciation loss is entered as an expense in the gains of the fiscal year.

The total claims of the Company are analyzed as follows:

	On 31/12/2007	On 31/12/2006
Customers	20.784	14.574
Precarious – Sub-justice Customers and Debtors	4.242	4.242
Several debtors	5.709	6.777
Prepayments and credits accounts	141	136
Future fiscal years income	169	132
Fiscal years income receivable	5.031	5.260
Other transitory accounts of Assets	12	0
	36.088	31.122
Less : Provisions	(4.175)	(4.175)
Balance	31.913	26.947
 <i>Balance of precarious claims:</i>		
Initial balance	4.242	
Increase/ (Decrease)	0	
Final balance	4.242	
 <i>Balance of provisions of precarious claims:</i>		
Initial balance	(4.175)	
Increase/ (Decrease)	0	
Final balance	(4.175)	

TABLE OF MAJORITY OF COMMERCIAL CLAIMS 31/12/2007

	2007	
	within 6 months	More than 6 months
Customers	20.784	
Precarious – Sub-justice Customers and Debtors		4.242
Less : Provisions		(4.175)
Total	20.784	68

TABLE OF MAJORITY OF COMMERCIAL CLAIMS 31/12/2006

2006	
within 6 months	More than 6 months

Customers	14.574	
Precarious – Sub-justice Customers and Debtors		4.242
Less : Provisions		(4.175)
Total	14.574	68

All the claims are short-term and are no prepayment is required on the date of the Balance-sheet. There is no accumulation of the credit risk in relation to the claims from customers, since the Company has a great number of customers and the credit risk is dispersed.

It is noted that the remainder of the account “Several debtors” on 31.12.07 amounting to € 5,709, refers to an income tax advancement and other paid-as-you-earn tax amounting to € 2,226, special subsidy claims from services provided to the Ministry of Environment, Urban Planning and Public Works amounting to € 1,616, and claims from other debtors amounting to € 1,867.

In addition, it is also noted that the remainder of the account “Fiscal years income receivable” on 31.12.07 amounting to € 5.031, refers to the worked and ought to be paid income of EYAΘ S.A. during the period 01/01/2007-31/12/2007 (where they were entered) and which are to be quoted in a future period, amounting to € 4,803, income from services provided to the Municipality of Michaniona, Thermaikos, Oreokastro and Efkarpia, which had not been quoted until 31.12.07, amounting to € 151, and other income receivable amounting to € 77.

Cash and cash at hand

The cash includes also the equivalent cash at hand, such as the deposits at hand and the short term deferred deposits. Bank over withdrawal payable at first demand and constituting integral part of the management of the cash of the Company is included, for reasons of drawing up the cash flows statement, as a constitutive asset of cash.

The cash represent cash at hand in the funds of the Company and banking deposits available at first demand.

LIABILITIES

Owner’s Equity

Equity capital

Common shares are characterized as capital. The surcharged external cost directly payable on the issuing of new shares is presented in the capital abstracted from the receivable sum.

On acquiring proper shares, the price paid, including also all the relevant expenses, is represented as being abstracted from the proper funds.

The equity capital of the Company consists of 36,300,000 common registered shares of nominal value € 1.12 each. The shares of the Company are registered in the category of Medium and Small Capitalisation at the Athens Stock Exchange.

In the current fiscal year, according to the dated November 7, 2007 decision of the Extraordinary General Assembly of the Company's Shareholders, there was a share capital increase of € 20,328 with capitalization of the respective amount of taxed and non-distributed profit of previous fiscal years. This increase was achieved by issuing 18.150.000 common registered shares of nominal value of € 1.12 each and their free distribution of the shareholders of the Company, in proportion of one (1) new common registered share for each (1) old common registered share and it was approved by the no. K2-16550/19-11-2007 decree of the Ministry of Development.

According to the Register of the Shareholders of the Company, on 31.12.07, the shareholders who held a rate of attendance in the Company more than 2% were the following:

SHAREHOLDER	NO. OF SHARES POSSESSED	PARTICIPATION RATE ON 31/12/2007
Greek State	26.868.000	74,02%
Other shareholders with a participation rate less than 2.0 %	9.432.000	25,98%
TOTAL	<u>36.300.000</u>	<u>100,00%</u>

The above par equity capital of the Company derived during the fiscal year 2002, and amounted to € 2.830, after the issuing of shares at cash and at a price higher than their nominal value.

Reserves

The reserves of the Company are analyzed as follows:

	On 31/12/2007	On 31/12/2006
Regular reserves	4.570	3.923
Tax free reserves of special provisions	3.329	3.329
Reserves for proper shares	1	1
Other reserves	16.584	16.584
Balance	<u>24.484</u>	<u>23.837</u>

According to the provisions of the Greek corporate legislation, the creation of "regular reserves" – by means of per year transferring of an amount equal to the 5% of the annual, after taxes, profits – is compulsory until the height of the reserves reaches

the $\frac{1}{3}$ of the equity capital. The “regular reserves” is distributed only on the dissolution of the Company; it can, however, be counterbalanced with accumulated loss.

The reserves of tax laws were created on the basis of provisions of tax legislation that, either permit the transfer of taxation of certain income in the year of their distribution to the shareholders, or provide tax alleviations as a motive for investments.

STATEMENT OF PROPER FUNDS CHANGE

	Equity capital	Adjustment above par	Regular reserves	Tax legislation reserves	Balance carried forward	Total
Balance on 31st December 2005 in compliance with the I.F.I.S.	<u>18.150</u>	<u>2.830</u>	<u>3.441</u>	<u>19.914</u>	<u>22.498</u>	<u>66.833</u>
Profits of fiscal year 2006 after tax	0	0	482	(0)	9.158	9.640
Dividends distributed	0	0	0	0	(3.154)	(3.154)
Equity Capital Increase	2.178	0	0	0	(2.178)	0
Balance on 31st December 2006 in compliance with the I.F.I.S.	<u>20.328</u>	<u>2.830</u>	<u>3.923</u>	<u>19.914</u>	<u>26.323</u>	<u>73.318</u>
Profits of fiscal year 2007 after tax	0	0	637	0	12.104	12.741
Dividends distributed	0	0	0	0	(3.617)	(3.617)
Equity capital increase	20.328	0	0	0	(20.328)	0
Balance on 31st December 2007 in compliance with the I.F.I.S.	<u>40.656</u>	<u>2.830</u>	<u>4.560</u>	<u>19.914</u>	<u>14.482</u>	<u>82.442</u>

LIABILITIES

Long-term Liabilities

Loans

The all loans are initially registered in the cost, which is the reasonable value of the benefit minus the expenses of acquisition of loans. The loans are later evaluated the depreciated price of acquisition using the method of discount interest-rate. Any adjustment between the benefit (minus the expenses of acquisition) and the value of refunding is acknowledged in the results statement during the period of the loans.

The loans of the Company have been granted by the Greek State for financing the investment plan of the Company. All the loans of the Company are in Euro with a fixed annual nominal interest rate of 3%. The company makes provisions for the interest worked for the servicing of its loans and charges the results of the fiscal year of each period. The loan expiration analysis is presented in note 4. There are no warranties and bindings on the possession or fiscal year concerning fixed assets as well as other assets of the Company.

By virtue of article 22 of L. 2937/2001 the fixed assets acquired with the above mentioned loans have been transferred to the company ΕΥΑΘ ΠΑΓΙΩΝ, which has undertaken their repayment. ΕΥΑΘ SA intends to claim from ΕΥΑΘ ΠΑΓΙΩΝ the amounts paid up to now or is to pay in the future.

COURSE OF LOAN LIABILITIES (in EURO)			
YEAR	INSTALLMENTS	INTEREST	TOTAL
1999-2000	10.206.474	3.361.670	13.568.144
2001	3.047.143	1.108.426	4.155.569
2002	2.840.286	882.655	3.722.941
2003	2.250.802	690.248	2.941.050
2004	1.908.169	557.317	2.465.486
2005	1.625.057	444.344	2.069.401
2006	1.560.346	359.298	1.919.644
2007	1.600.090	273.720	1.873.810
2008	1.607.792	184.341	1.792.133
2009	1.180.573	100.111	1.280.684
2010	689.129	52.747	741.876
2011	620.822	32.582	653.404
2012	467.444	15.099	482.543
2013	151.832	3.425	155.257
2014	44	0	44
TOTAL	29.756.003	8.065.983	37.821.986

Rights of the Employees

The liability of the Company towards the persons hired by it, concerning the future payment of benefits depending on each one's years of experience, is added in and represented on the basis of the prospectively paid right worked of each employee, on the date of the balance-sheet, discounted in its current value, in combination to the forecasted time of its payment. The applied interest-rate of discount is equal to the repayment, on the date of the balance-sheet, of the long-term liability of the Greek State.

The relevant liability is estimated on the basis of financial and proportional concessions and they are determined using the Projected Unit Method). The net costs of retirement of the period are included in the cost of payroll in the attached statement of results and they consists of the current value of the benefits that became worked during the fiscal year, the interest on the liability of benefits, the cost of previous employment, the proportional profits or loss and any other additional

retirement costs. The costs from previous employment are acknowledged on a constant basis on the average period until the profits of the program are specified. The non acknowledged proportional profits and loss, are acknowledged on the average remaining duration of the period of service provision of the active employees and they are included as part of the net cost of retirement of each period if, at the beginning of the period they exceed the 10% of future estimated liability for benefits. The liability for retirement benefits is not financed.

The liability of the Company towards the persons working in Greece, concerning the future payment of benefits depending on each one's years of experience, is added in and represented on the basis of the prospectively paid right worked of each employee, on the date of the balance-sheet, discounted in its current value, in combination to the forecasted time of its payment. The used interest-rate of discount (4.80%) is equal to the repayment, on the date of the balance-sheet, of the long-term liability of the Greek State.

The number the personnel employed by the Company and its corresponding payroll cost are as follows:

	On 31/12/2007	On 31/12/2006
<u>Persons:</u>		
Permanently employed	509	549
Total	<u>509</u>	<u>549</u>
<u>Employees' Cost Analysis:</u>		
Payroll costs	19.759	19.338
Employer's contributions	4.213	3.818
Adjunctive allowances and personnel expenses	179	146
Provision for compensation of the staff due to redundancy	540	875
Total Cost	<u>24.691</u>	<u>24.177</u>

Amounts acknowledged in the results account

	<u>2007</u>	<u>2006</u>
Current employment cost	185	168
Interest cost	355	347

Proportional profit and loss	0	360
Compensations paid	<u>-1.117</u>	<u>-641</u>
Total charge/ (credit) in the results	-577	234

Changes in net liability acknowledged in the Balance-sheet

	<u>2007</u>	<u>2006</u>
Net liability on fiscal year opening	7.174	6.940
Expenses acknowledged in the results statement	540	875
Real allowances paid by the Company	<u>-1.117</u>	<u>-641</u>
Net liability on fiscal year ending	6.598	7.174

The main proportional admissions used for accounting purposes are the following:

	2007	2006
Discount interest-rate	4,80%	5,00%
Future salary increases	4,00%	4,00%
Expected remaining working life	6,63	6,86

Risk provisions

Provisions are made when the Company has a legal or assumed liability resulting from a past event and it is speculated that an out flow of resources will be required so that is arranged the liability to be covered, and the sum can be reliably estimated.

The provisions are re-examined at the end of each fiscal year and they are adapted so as to represent the best possible estimations and in case it is considered necessary, they are discounted on the basis of pre-tax discount interest-rate. The potential liabilities are not entered in the financial statements but are acknowledged, unless there is minimum chance for outflow of resources that bear financial profits. The potential claims are not entered in the financial statements, but are acknowledged provided that the inflow of financial profits is likely.

They are provisions for the covering of potential liabilities that probably results during the arrangement of court disputes with any third parties, as well as with the personnel of the Company.

Future income from state subsidies

The state subsidies are acknowledged initially at their nominal value when there is reasonable assurance that the subsidy will be received and that the Company will be complied with all the terms specified.

The state subsidies concerning current expenses are entered in the statement of results during the period needed, in order to correspond to the expenses intended to be compensated.

The state subsidies with regard to the purchase of tangible assets (fixed) are included in the long-term liabilities as an income of the next fiscal years and are entered as income and transferred in the statements of the results of the fiscal year, during of useful life of the subsidised asset.

The state subsidies are related with investments of assets that have been realised on the basis of tax laws.

The state subsidies are entered as income in step with the depreciation of the assets – mainly machinery – that was subsidised. The amount of the subsidy transferred in the statement of the results of the fiscal year amounted to € 139 (2006: € 231).

Depending on the provisions of law, in the framework of which the subsidy was realised, certain restrictions as for the transfer of the subsidised machinery and as for the differentiation of the legal state of the subsidised company are in effect. During the occasionally audits held by the competent authorities, no case of non conformity with these restrictions was traced.

Other long-term liabilities

They are received guarantees from new customers of water supply for the installation of hydrometers and consumption of water.

Short-term liabilities

Suppliers and other liabilities

The total liabilities of the Company to suppliers and other third parties are analyzed as follows:

	On 31/12/2007	On 31/12/2006
Suppliers	4.472	2.697
Checks payable	1.738	2.722
Insurance Organizations	888	839
Dividends payable	57	67
Several creditors	8.150	6.317
Expenses of fiscal year worked	737	1.084
Other transitory accounts of Liabilities	0	7
Balance	<u>16.042</u>	<u>13.732</u>

The balance of the account “Several debtors” on 31/12/2007 equal to the amount of € 8.150, concerns liabilities to the company ΕΥΑΘ ΠΑΓΙΩΝ for the purchase of water in

order several operational needs to be covered, amounting to € 7.597 (2006: 5.952) as well as liabilities to other creditors equal to € 553 (2006:365).

The expirability of the Suppliers and Other Liabilities on December 31st, 2007 (December 31st 2006) for the company is analyzed as follows:

	Short-term 2007		Short-term 2006	
	within 6 months	from 6 to 12 months	within 6 months	from 6 to 12 months
Suppliers	4.472		2.697	
Checks payable	1.738		2.722	
Insurance Organizations	888		839	
Dividends payable	57		67	
Several creditors	553	7.597	365	5.952
Expenses of fiscal year worked	737		1.084	
Other transitory accounts of Liabilities	0		7	
	8.445	7.597	7.780	5.952

Transactions and Balances with Affiliated Persons

The company considers as affiliated persons the members of the BoD, its Managers as well as the shareholders that possess a percentage of more than 5% of its equity capital (including their affiliated persons). The transactions and the balances of the affiliated persons of the Company, during 1/1/2007-31/12/2007 and on December 31st, 2007 respectively, are analyzed in the following table:

a) Sales of goods and services	0
b) Purchases of goods and services	0
c) Claims	0
d) Liabilities	0
e) Transactions and wages of the managers and members of the BoD	789
f) Claims from the managers and members of the BoD	8
g) Liabilities to the managers and members of the BoD	7

Bindings and Eventual Liabilities

Eventual liabilities from sub judice or under arbitration disputes

On 31.12.07 there are actions, extrajudicial invitations and generally future claims against the Company of total sum of € 3,419. The legal department of the Company estimates that the juridical result of the above mentioned affairs will not significantly

influence the financial situation and operation of the Company. For these affairs, a provision of € 1.540 has been made, which is included in the account of long-term liabilities "Risk and expenses Provisions".

Obligations from leasing

The Company on December 31st, 2007 has made contracts on leasing real estate and transportation means which expire in 2012. The expenses from these leasing which have been registered in the results statement of the current fiscal year amounted to € 482,5 (2006: 470,5).

The future minimum shop leasing instalment on the basis of non-annulment of the leasing contract are as follows::

	On 31/12/2007	On 31/12/2006
Up to 1 year	521	480
From 1 up to 5 years	1.568	1.732
More than 5 years	86	443
	<u>2.175</u>	<u>2.655</u>

Other eventual liabilities

The Company on 31.12.07 had granted letter of guarantee for the proper implementation of conventions of the work contracts of a total sum of € 287 (2006: € 246).

The Company has not been audited by the competent tax authorities for the fiscal years from 2001 up to 2007 and acknowledges its tax liabilities deriving from the auditing of the unaudited fiscal years by the tax authorities, on termination of the auditing and the finalization of the relevant tax amounts.

Number of the personnel employed

The number of the personnel employed at the Company at the end of the current fiscal year was 509 individuals, while at the end of the previous fiscal year 549 individuals.

Facts after the Balance-sheet

The General Assembly of the Company approved on June 29th, 2007 the founding of a subsidiary company under the trade name "WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI SERVICES S.A. ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ (ΕΥΑΘ SERVICES S.A.) to the share capital of which the Company participates by 100%. On 11/12/2007 the above mentioned subsidiary was registered in the Joint-Stock Companies' Register. The share capital of the subsidiary was determined to the amount of €60.000. Η ολοκλήρωση της ίδρυσης πραγματοποιήθηκε με την καταβολή

του μετοχικού κεφαλαίου από την εταιρεία την 31/1/2008. Η ΕΥΑΘ ΑΕ από τις 31/3/2008 θα συντάσσει ενοποιημένες οικονομικές καταστάσεις που θα συμπεριλαμβάνουν τις εταιρείες ΕΥΑΘ ΑΕ και ΕΥΑΘ ΥΠΗΡΕΣΙΕΣ ΑΕ .

Apart from what is reported in the above paragraph, there are no other facts after the balance-sheet of December 31st 2007, concerning the Company, which should be reported in compliance with the International Financial Information Standards (IFIS).

Results of the Fiscal Year

	Note	1/1- 31/12/2007	1/1- 31/12/2006
<u>STATEMENT OF RESULTS OF FISCAL YEAR</u>			
Sales		70.100	66.035
Less: Sales cost		(45.757)	(44.712)
Gross profit		24.343	21.323
Other utilization income	5	7.188	6.225
		31.532	27.549
Administration expenses	6	(7.596)	(6.624)
Research and Development expenses	7	(1.094)	(685)
Disposal expenses	8	(3.737)	(3.631)
Other operation expenses	9	(2.271)	(2.721)
Operation results		16.834	13.888
Financing results	10	653	(232)
Common works results		17.487	13.656
Investment results		0	0
Pre tax results		17.487	13.656
Income tax	11	(4.745)	(4.016)
Results after tax		<u>12.741</u>	<u>9.640</u>
Profit per share (€per share)			
Basic	12	0,35	0,27
Suggested dividend per share - (in euro)		0,10	0,18
Suggested profit distribution to the staff in thousand Euros		350	350

Acknowledgment of income

The income from the sale of goods is acknowledged when the significant risks and the benefits of possessing these goods are transferred to the buyer. The income from service provision is based on the implementation stage, which is determined by means of the report on the up to now services provided, as a percentage of the total services provided.

The income from interest is acknowledged on a basis of time proportion, taking under consideration the remainder of the initial amount and the factor valid for the period at

hand until the expiry, in case it is determined that such income will be payable to the Company.

In come from dividends are acknowledged as such on the date their distribution is approved.

Expenses

Leasing

The payments made on the basis of leasing are registered in the statement of the results of the fiscal year as expenses, on the time of usage of the property.

Financing cost

The net cost of financing consists of the interest worked on the loans raised, that are calculated on the basis of the actual interest-rate method.

Profit per share

The basic profit per share is calculated by dividing the net profit of the period with the weighted average number of the common shares that circulate this period, excluding this average of the common shares acquired by the Company as proper shares.

Partial analysis of the activities of the Company

“Sector” or “part” of the activities of the Company is each discreet enterprising activity with specific characteristics concerning the nature of the activity and the enterprising risks that it involves (enterprising sector). A respective discrimination takes place on the basis of the enterprising environment in which the activity is developed (geographic sector).

The Company is activated mainly in the sectors of Water supply and Sewerage, in the greater region of the Prefecture of Thessaloniki, aiming at the reasonable management of aquatic resources on the one hand, and the collection and treatment of sewages in such a way that high standard services to be provided to the society, for to a healthy and clean environment.

Management of financing risks

Financial risk factors

The main financial tools of the Company are cash, bank deposits, commercial and other claims and liabilities and bank loans as well. The Management of the Company regularly examines and revises the relevant policies and processes with regard to the management of financial risks, such as the credit risk and the liquidity risk, described below:

A. Market Risk

(i) Exchange Risk

The Company does not anticipate any exchange risks as during the closing fiscal year

it had not realized any transactions in foreigner currency and all of its assets and claims was in euro.

(ii) Price Risk

As concerning price risk, the Company is not exposed to any significant variable fluctuation risk which determines both income and cost.

(iii) Cash flows and fair value of risk interest-rate

The Company does not anticipate any interest-rate risk, since it borrows at a fixed interest-rate.

B. Credit risk

The Company follows a clear credit policy which is consistently implemented. Moreover, it has a big number of customers and consequently the wide dissemination of its clientele contributes to the existence of low credit risk in comparison to these claims. The Management of the Company permanently observes the financing condition of its customers, the size and the limits of the credits provided. At the end of the fiscal year, the management considered that there is no significant credit risk that could not be covered by some guarantee or by sufficient provision of precarious claims. The greatest expose in credit risk is reflected in the height of each asset.

C. Liquidity risk

Liquidity risk is kept at low levels by means of the availability of adequate cash reserves.

The ending of the financial liabilities on December 31st, 2007 (December 31, 2006) for the Company is analyzed as follows:

TABLE OF FINANCIAL LIABILITIES ENDING ON 31/12/2007

	2007			
	Short-term		Long-term	
	within 6 months	from 6 to 12 months	from 1 to 5 years	later than 5 years
Bank Loans	794	814	2.958	152
Other long-term liabilities				9.444
Suppliers and other liabilities	8.445	7.597		
Short-term tax liabilities	5.435			
Total	14.674	8.411	2.958	9.596

TABLE OF FINANCIAL LIABILITIES ENDING ON 31/12/2006

2006	
Short-term	Long-term

	within 6 months	from 6 to12 months	from 1 to 5 years	later than 5 years
Long-term Loans	794	806	4.098	619
Other long-term liabilities				8.676
Suppliers and other liabilities	7.780	5.952		
Short-term tax liabilities	3.779			
Total	12.353	6.758	4.098	9.295

Capital Risk Management

The aim of the Company, when managing capitals, is to ensure its continuous activity, in order to provide profits to the stockholders and benefits to all other interested parties, as well as to maintain a capital structure, which is to diminish the capital cost.

In order to maintain or adjust the capital structure, the Group has to adapt the amount of dividends and the capital return to the stock-holders, issue new stocks or sale assets, so as to decrease debt.

The capital is surveyed on the basis of a ranking up factor. The factor is estimated as the net debt divided by the total capital. Net debt is estimated as the total loan (short- and long-term loans included as they appear in the balance-sheet) less cash at hand. Total capital is estimated as the owner's capitals appearing in the balance-sheet plus net debt.

	2007	2006
Total Loan	4.718	6.317
Less : Cash at hand	(13.152)	(10.358)
Net debt	(8.434)	(4.041)
Total owner's equity	82.442	73.318
Total capital	74.008	69.278
Ranking up factor	-11,40%	-5,83%

Plausible value

The amounts in which the reserves at hand, the claims and the short-term liabilities appear in the balance-sheet, are close to their respective plausible values due to their short-term expiry.

Other utilization income

The other operational income is analyzed as follows:

THE COMPANY

	On 31/12/2007	On 31/12/2006
Subsidies	241	294
Compensations from services provided	1.890	3.295
Income form service provision	288	290
Rents	3	4
Depreciations of subsidies	139	231
Income from Water Supply & Sewerage fees and rights of previous fiscal years	2.173	325
Other extra and inorganic income	275	98
Other income from previous fiscal year	380	1
Adjustments of subsidies	1.798	1.689
Balance	<u>7.188</u>	<u>6.225</u>

Expenses on management

The management expenses are analyzed as follows:

	THE COMPANY	
	On 31/12/2007	On 31/12/2006
Wages and Expenses on personnel	3.974	3.496
Wages and Expenses on Self-employed persons	593	310
Wages and Expenses on non Self-employed persons	285	243
Processing by third parties	65	56
Other wages and expenses on third parties	140	89
Expenses on rents	274	270
Expenses on repairs and maintenance	44	28
Other provisions from third parties	193	172
Expenses on duties and fees	147	119
Expenses on transportation	32	28
Expenses on travel	22	16
Expenses on promotion and advertisements	303	110
Other expenses	553	781
Depreciations expenses	856	908
Provision of staff compensation	115	0
Balance	<u>7.596</u>	<u>6.624</u>

Expenses on research and development

The expenses of research and development are analyzed as follows:

	THE COMPANY	
	On 31/12/2007	On 31/12/2006

Wages and Expenses on personnel	241	233
Wages and Expenses on Self-employed persons	63	70
Other wages and expenses on third parties	39	3
Expenses on duties and fees	32	28
Other expenses	713	344
Depreciations expenses	6	6
Balance	<u>1.094</u>	<u>685</u>

Expenses on disposal

The expenses on disposal are analyzed as follows:

	THE COMPANY	
	On 31/12/2007	On 31/12/2006
Wages and Expenses on personnel	2.417	2.332
Wages and Expenses on Self-employed persons	274	75
Processing by third parties	0	0
Other wages and expenses on third parties	65	56
Expenses on rents	141	91
Wages and Expenses on personnel	41	42
Expenses on repairs and maintenance	40	27
Other provisions from third parties	95	90
Expenses on duties and fees	41	41
Expenses on transportation	16	14
Expenses on travel	0	0
Expenses on promotion and advertisements	0	0
Other expenses	8	5
Depreciations expenses	138	172
Provision of staff compensation	460	688
Balance	<u>3.737</u>	<u>3.631</u>

Other operational expenses

The other operational expenses are analyzed as follows:

	THE COMPANY	
	On 31/12/2007	On 31/12/2006
Tax and other fines & surcharges	9	0
Compensation of third parties from damages in the Water supply network	59	111
Other extra and inorganic expenses and loss	531	550
Loss from the replacement of hydrometers	5	13
Other expenses from previous fiscal years	642	30
Adjustments of assets	1.025	2.016
Balance	<u>2.271</u>	<u>2.721</u>

Financing cost (net)

The financing expenses (costs) are analyzed as follows:

	On 31/12/2007	On 31/12/2006
Debit interest of bank liabilities	274	368
Other Financial expenses	10	3
Total Financial Expenses	283	371
Credit interest and relevant income	936	139
Other Financial income	0	0
Total Financial income	936	139
Net financial income (expenses)	<u>653</u>	<u>(232)</u>

Income taxes

The taxation of the results was determined as follows:

	On 31/12/2007	On 31/12/2006
Income tax for the period	4.033	3.398
Taxes from previous fiscal years	0	0
Postponed tax	712	619
Total taxes in the Statement of Income of the Fiscal year	<u>4.745</u>	<u>4.016</u>

	On 31/12/2007	On 31/12/2006
Profit pre tax	17.487	13.656
Tax estimated according to the tax factor of the Company (2007: 25 %, 2006: 29 %)	4.372	3.960
Expenses non rebated fro the income tax	374	56
Taxes imputed and concern previous fiscal years	0	0
Income tax free	0	0
Total taxes in the Statement of Income of the Fiscal year	<u>4.745</u>	<u>4.016</u>

The fact that in certain cases income and expenses are acknowledged at different times concerning where this income is taxed or the expenses are deducted, for reasons of determination of the taxable income, creates the need of accountant

acknowledgment of deferred tax assets or deferred tax liabilities. The recognized by the Company deferred tax requirement is analyzed as follows

	On 31/12/2007	On 31/12/2006
Postponed tax claims	3.660	4.115
Postponed tax liabilities	<u>(3.669)</u>	<u>(3.412)</u>
Total of postponed taxes in the balance sheet	<u>(9)</u>	<u>703</u>
	On 31/12/2007	On 31/12/2006
Opening balance	703	1.322
Gain tax	<u>(712)</u>	<u>(619)</u>
Owner's Equity tax	0	0
Final balance	<u>(9)</u>	<u>703</u>

	On 31/12/2006	Charges (Credits) of Gains	Charges (Credits) of Owner's equity capitals	On 31/12/2007
Postponed tax liabilities				
Financial depreciations of tangible assets	(3.412)	(84)	0	(3.496)
Adjustment of fixed assets subsidies	0	(173)	0	(173)
	<u>(3.412)</u>	<u>(257)</u>	<u>0</u>	<u>(3.669)</u>
Postponed tax claims				
Cross-entry of assets readjustment	550	0	0	550
Adjustments of assets value	741	(116)	0	625
De-acknowledgement of expenses of long depreciation	440	(53)	0	387
Adjustments of accounts receivable value	130	82	0	212
Adjustments of stock estimation	174	(24)	0	150
Provision of staff compensation due to retirements form the company	2.080	(431)	0	1.649
Provision of distribution to personnel	0	88	0	88
	<u>4.115</u>	<u>(455)</u>	<u>0</u>	<u>3.660</u>
Net postponed tax claims in the balance sheet	<u>703</u>	<u>(712)</u>	<u>0</u>	<u>(9)</u>

Profit per share

The estimation of the basic profits (loss) per share is as follows:

	On 31/12/2007	On 31/12/2006
Net profits distributed to the common shareholders of the Company	12.741	9.640
Weighted average number of shares in circulation	36.300.000	36.300.000
Less: Weighted average number of proper shares	<u>0</u>	<u>0</u>
Total weighted average number of shares in circulation	36.300.000	36.300.000

Basic profits (loss) per share (in €)

0,35

0,27

STATEMENTS OF CASH FLOWS

	Note	1/1- 31/12/2007	1/1- 31/12/2006
<u>Cash flows from operational activities:</u>			
Profit pre tax		17.487	13.656
Plus (less) adjustments for:			
Depreciations	13-14	5.370	4.985
Provisions		(226)	234
Results (income, expenses, profit and loss) of investments		841	13
Results (income, expenses, profit and loss) of subsidiaries		(609)	0
Depreciations of subsidies for investment in assets	24	(139)	(231)
Debit interest and relevant expenses	10	(653)	232
		<u>22.071</u>	<u>18.889</u>
Plus/ less adjustments for changes of working capital accounts or relevant to operational activities:			
Decrease / (increase) of reserves	16	220	(29)
Decrease / (increase) of claims	17	(4.979)	(1.821)
(Decrease) / increase of liabilities (less banks)		2.498	2.386
(Less):			
Debit interest and relevant expenses paid	10	(283)	(371)
Taxes paid	11	(2.378)	(4.302)
Total inflows / (outflows) from operational activities (a)		<u>17.149</u>	<u>14.753</u>
<u>Cash flows from investments:</u>			
Purchase of tangible and incorporeal fixed assets	13-14	(11.075)	(8.726)
Cashing from sales of tangible and incorporeal fixed assets	13-14	1	(0)
Interest received	10	936	139
Total inflows / (outflows) from investments (b)		<u>(10.138)</u>	<u>(8.588)</u>
<u>Cash flows from financing activities :</u>			
Cashing from subsidies	24	1.011	1.378
Repayment of loans	21	(1.600)	(1.560)
Dividends paid		(3.627)	(3.159)
Total inflows / (outflows) from financing activities (c)		<u>(4.217)</u>	<u>(3.341)</u>
Net increase / (decrease) of the cash reserves and equivalents of period (a) + (b) + (c)		<u>2.794</u>	<u>2.825</u>
Cash reserves and equivalents at the beginning of the period		10.358	7.533
Cash reserves and equivalents at the closing of the period		<u>13.152</u>	<u>10.358</u>

CHAPTER F'

COST-PLUS DATA FROM WATER OUTPUT TO CONSUMPTION

Activities of the Consumers Directorate

The scope of the Consumers Directorate is:

The regular recording (every 4-month period) of the indications on the hydrometers and then the processing and control of the data for their input in the Computerized system.

- b) The assertion of the income of the Company from water and sewerage sales and the issuing and mailing of the bills to the about 475.000 customers – consumers every 4 months.
- c) The collection of the income of the Company through the employers of the Company, the Hellenic Post branches, lottery agencies – Apothecaries and other contracted co-operators as well as through Banks by means of fixed payment orders.
- d) The assertion and collection of any type of income deriving from the signing of new water supply contracts, as well as from the obligation of the Company's customers to pay the several water supply and sewerage fees for the connection of their real estates to its networks.
- e) The examination of any type of request concerning the pacing of the services provided or clarifications on customers' complaints, as well as any type of information on the history of consumption.
- f) The control of the money collection mechanisms, the monitoring of the remainder of the amounts due and the issuing of interruption of water supply due to debts unpaid.
- g) Reports on the five-year pricing mechanism planning for the services provided, in compliance with article 21 of L. 2937/2001, comprising amounts analyses and reference of the household trends to consume water, something which constituted a determinant for the further planning of the investment policy of the Company. Already, by virtue of the 517/2006 Decision of the BoD of E.Y.A.Θ. SA, the new pricing policy of the Company was approved and confirmed by virtue of the 11741/29-12-2006 Common Ministerial Decree of the Minister of Economics and Macedonia - Thrace for the period 2007-2011. The relevant tables featuring the new prices that are valid from 1/1/2007 to 31/12/2007 are following.
- h) Answers – clarifications to questions asked by politicians, as well as by other physical entities, concerning the pricing policy of the Company.
- i) Coordination of actions for the recording of the households and other water supplied new Municipalities, aiming at their permanent accession in the clientele of the Company, and generally in the area of competence of E.Y.A.Θ. SA. This action is considered rather significant since, with the expansion of the pricing policy of E.Y.A.Θ. in the neighbouring Municipalities, on the one hand the turnover of the Company will be increased, while on the other a more rational equilibrium concerning the offer and the consumption of water will be achieved, since it is considered that the neighbouring regions to be integrated are rather semi-agricultural and, according to the data available, an excessive water consumption characterizes these regions, due to the low prices imposed by the Local Government Organizations.

Citizen's Service

The Customers Directorate by nature has as its main objective the citizen's service, according to the above paragraphs. This means that – regularly – all the personnel anticipates on a daily basis the customers - consumers of the Company, either it has to do with the taking of the hydrometers' measurements, which constitute further pricing of the water amounts consumed and the sewerage usage, or it has to do with the collection of the bills at the several customer service points, or even the signing of new water supply contracts; even more, whether it has to do with the satisfaction of the demands of each customer.

In order this objective - of the best citizen's service possible - to be achieved, the Management has proposed and thus the customer service points has been greatly expanded; so the citizens are serviced on a daily basis without problems. Thus, apart from the Central Office of the Company, at 127 Egnatia street, and the Office at 98 Tsimiski street - where the sewerage service was also located till recently - in 2005 the two branches were established: one at 6 Dimokratias Square, Vardaris and at 243 Vasilisis Olgas street, Depot, which are more and more fully activated covering almost the whole range of services provided by the Consumers Directorate in both eastern and western districts of the city.

This means that there has been a significant decentralization of the Central Office and avoidance of the congestion of thousands of citizens at the 127 Egnatia street counters. Apart from the above mentioned service points for the customers of the Company, the consumers can pay their bills at the following points:

In at least 50 Hellenic Post Offices in the greater region of Thessaloniki, as well as at all Hellenic Post Offices all over Greece.

At 64 contracted shops which can collect the bills on the basis of demographics in the whole area covered by the Company. These points are:

√	Lottery agencies	99
√	Apothecaries	39
√	Shops	26

The following 8 Banks who receive the amounts of the bills of the Company by means of fixed payment orders of its customers.

These are: National Bank of Greece, Piraeus Bank, ALPHA BANK, EUROBANK ERGASIAS, Commercial Bank of Greece, Agricultural Bank of Greece, Bank of Cyprus, and Attica Bank. The relevant contracts have been completed within 2006 and nowadays about 15.000 consumers (a rate of 3% on the total number) are automatically serviced through the banking system.

Analytically, the situation per Bank is as follows:

BANK	NUMBER OF CONSUMERS
CYPRUS	339
ALPHA	3.110
AGRICULTURAL	382
ATTICA	55
EUROBANK	2.328
COMMERCIAL	851
NATIONAL	3.983
PIRAEUS	3.501
TOTAL	14.549

According to the data collected in 2007, the collection allocation per service point is as follows:

<u>Customer Service Points</u>	<u>Annual income rate</u>	
	<u>2006</u>	<u>2007</u>
Central Office	38.07%	35.00%
Office at Tsimiski street	4.71%	6.00%
Western branch at Dimokratias Square	13.05%	15.00%
Eastern branch at 243 V. Olgas street	6.37%	8.00%
Hellenic post Offices	7.26%	7.00%
Banks	1.60%	3.00%
Lottery agencies. Apothecaries. etc.	28.94%	26.00%
Total	100.00%	100.00%

At the above mentioned customer service points an annual amount of more than 1.400.000 water supply - sewerage bills are paid as well as other service provision bills (water supply contracts, etc.); the total income for 2007 amounted to about 77 million € in comparison to about 72 million € in 2006.

What is most significant, however, is the fact that apart from the bill collection, a great number of customers is serviced at the 2 branches (Vardaris Square and Vasilisis Olgas, Depot), which means the improvement of the working conditions of the personnel employed at the Customer Service Department and better servicing of the customers, since they do not have to go to the Central Office of the Company in order to sign water supply contracts and to have their other demands satisfied.

The following table presents the types of customers' issues settlement in the 3 main

customer service points:

Office	Number of Application settled	Percentage	Daily transactions
Central Office	13.681	61%	54
Branch at Dimokratias Square	5.317	24%	22
Branch at 243 V. Olgas	3.364	15%	14
Total	22.362	100%	90

In addition, at the Offices at 98 Tsimiski Street, where the sewerage sector is accommodated, within 2007, 2.487 applications for the connection to the sewerage networks have been settled.

**Production and measurement of water
(in millions cubic meters)**

According to the data of the Company, the produced and counted quantities of water have as follows:

Years	2004	2005	2006	2007
Water output	88,5	89,6	90	88,86
Priced water quantities	61,6	65,1	65,4	65,61
Non priced quantities	26,9	24,5	24,6	23,25
Percentage of loss	30,40%	27,34%	27,33%	26,16%

The above table is reformed for the previous four years, for the more rational presentation of the actual losses of water because of differentiation in both the charging of the Greek Oils Company and the progressive reduction of consumption by this Company, as it is explained below.

a) On the basis of the 20-year contract of 1985-2005, the supply of water to the Greek Oils Company was priced with the special price of 0.35€/m³ on a constant base of 25.000 m³ per day, regardless actual consumption. The actual data show that the Greek Oils in the past few years consume on an actual basis quantities less than 20.000 m³ per day. However, as on the basis of the pricing up to 2005, the fictitious consumption on the basis of the contract were taken into consideration, thus the relevant table of production and sale of water was shaped on an erroneous basis. The above table restores reality between the produced and quantities of water and constituted the base for the further diachronic follow-up of future losses.

b) The supply of water to ΕΛ.ΠΕ. (Greek Oils) was decreased in 2004 on either due

to the decrease of the consumption of the above mentioned company, or due to the suspension of the operation of the Phosphoric fertilizers plant.

Thus, while the ΕΛ.ΠΕ. was debited annually with 9.000.000 m³ (a fictitious basis of calculation of 25.000 m³ with the special price of 0.35€/m³), in 2007 their consumption was decreased on an actual basis to 3.718.240m³ in comparison to 4.333.264m³ in 2006.

It is worth mentioning that the total priced quantity of water in 2007 is increased only by 0.2 cm³ in comparison to 2006, despite the fact that the number of the consumers increased by about 10.000. This is due to the increase by an average of 4% of the price of water and the change of the sewerage usage fees by 4% on the value of water (64% since May 2007), the average household consumption decreased by 1m³ in the four-month period.

The change in the average water consumption by households per four-month period is shown in the following table:

Year	Average consumption per 4-month period	Comments
1999	39,0m ³	Scaling of water prices from 0.22€/m ³ to 1.52€/m ³ . Sewerage 0.10€/m ³ regardless the water consumption.
2001	35,4m ³	Pricing policy 2001-2006.
2003	34,3m ³	Water prices from 0.22€/m ³ to 4.03€/m ³ .
2005	33,7m ³	Sewerage 50%-60% on water value.
2007	32,7m ³	New pricing policy 2007-2011. Water prices from 0.39€/m ³ to 4.03€/m ³ . Sewerage 64%-80% on water value.

Accountable claims of the Company until 31/12/2007 concerning income from previous years

Apart from the income included in service provision corresponding to the turnover of the closing fiscal year of 2007, also water supply and sewerage services have been priced concerning the income of previous years from Municipalities which are water supplied in the form of network support as well as sewerage services. This income is analyzed as follows:

a) Water sales

Municipality of Echedoros	1.082.697,00 €
<i>Municipality of Oreokastro (4th & 5th instalment based on contract)</i>	<i>91.744,00 €</i>
Water supply total	1.174.441,00 €
<u>Sewerage usage fees</u>	
Municipality of Oreokastro (4th & 5th instalment based on contract)	84.034,00 €
Municipality of Efkarpia (1st & 2nd instalment based on contract)	67.226,88 €
ΔΕΥΑ of Michaniona (3rd & 4th instalment based on contract 2003-05)	168.067,24 €
Sewerage fees 2006	92.500,00 € Municipality of
Thermaikos (3rd & 4th instalment based on contract 2003-05) 130.000,00 € ΔΕΥΑ of Thermaikos	
Sewerage fees 2006	80.000,00 €
Municipality of Thermi	
Sewerage fees 2003-06	100.000,00 €
Municipality of Pylea	
Sewerage usage fees 2003-06	352.610,45 €
Company ΒΙΟΣΤΑΜΠ SA	
<u>(Fees 2005-06)</u>	<u>15.422,40€</u>
Total	<u>1.089.860,97 €</u>

The above mentioned sewerage usage fees have been priced on the basis of the relevant contracts signed between the Municipalities of Oreokastro, Efkarpia, Michaniona and Thermaikos for the years 2003-2005.

In addition, the sewerage fees for the ΔΕΥΑ of Thermaikos, Michaniona were priced on the basis of the sewerage volume estimations for the year 2006, since these agents could not charge their citizens, who were connected to the sewerage networks, with the respective fees - namely for 2006 equal to 0.26€/m³.

As concerning the Municipalities of Pylea and Thermi, the pricing was performed collectively for the years 2003-2006. For the Municipality of Pylea, the Municipal sewerage usage fees were taken into consideration for the pricing, along with the bad debts concerning their collection, as well as the decision 540/2006 of the BoD of ΕΥΑΘ SA. For the Municipality of Thermi, the pricing was performed after taking into consideration the small number of the households connected to the sewerage networks, their contribution to the installation of the internal networks, as well as the lack of pricing data on part of the Municipality (Decision 705/2007 of the BoD of ΕΥΑΘ SA).

Recapping, the income of previous years priced within the fiscal year of 2007 is as follows:

a) Water sales	1.174.441,00 €
<u>b) Sewerage usage fees</u>	<u>1.089.860,97 €</u>
Total	<u>2.264.301,97 €</u>

According to the above mentioned data, the collective income from service sales are as follows:

Turnover for the fiscal year 2007	69.960.562,20 €
<u>Income from previous years</u>	<u>2.264.301,97 €</u>
General total from service sales	<u>72.224.864,17 €</u>

Structure of water consumption – sales

The counted quantities of water to be priced in 2007 amounted to 65.611.296 m³ in comparison to the 65.380.355 m³ of the previous year. The total quantity of water charged in 2007 is analyzed in the following table:

Measured – Priced Quantities in 2007		
1. From 3rd Fourth-month period of 2006 within 2007 the following were priced		
Sectors	49-55 (7)	631.783 m³
	57 (1)	664.715 m³
	58-59 (2)	2.528.752 m³
	61 (1)	2.520.299 m³
	78 (1)	127.160 m³
	-	-
	Total (12 sectors)	6.472.709 m³
2. 1st four-month period 2007 (all sectors-77)		19.051.158 m³
3. 2nd four-month period 2007 (all sectors-77)		20.582.648 m³
2. From the 3rd four-month period 2007 up to 31/12/2007, the following were priced		
Sectors	1-49 (49)	10.434.558m³
	56,57,60 (3)	1.108.516m³
	62-76 (15)	2.954.883m³
	Part of sectors 50, 51, 52, 55 & sector 78 (1)	297.867m³
Total (68 sectors)		14.795.824m³
2.	Support of networks of M. of Echedoros	2.715.909m³

3.	Support of networks of M. of Oreokastro	1.993.048m ³
	Total	65.611.296m³

It should be noted that the above sum comprises the pricing of specific routes of the sectors 50, 51, 52 and 55. That is, out of a total of 15.055 consumers, only the 6.078 were priced, i.e. the 40% of all these sectors, while the quantity priced amounts to 57.814 m³.

Comparative data on of the years 2006-2007

The worth balance of pricing between 31/12/2006 and 31/12/2007 is analyzed according to the following data:

A) Since the 3rd four-month period of 2005 within the 1st four-month period of 2006 sectors 42 to 48 (7 sectors) were priced as well as sector 66 in comparison to the pricing of the 3rd of 2006, when the above mentioned sectors were priced within 2006(i.e. they were priced 4 times within 2006 due to the precipitation of the process).

Total bills 22.464 Quantity 751.325 m³

B) On the contrary, in 2007:

a) From the 3rd four-month period of 2006 within the 1st four-month period of 2007 sector 78 which was not priced until 31/12/2006 was priced.

Total bills 3,023 Quantity 127,160 m³

b) Since the 3rd four-month period of 2007, within the closing year 2007 and in comparison to the 3rd four-month period of 2006 further the sectors 49, 57, 78 were priced, as well as about the 40% of the sectors 50, 51, 52 and 55 (6.078 bills out of the 15.055 in total).

Total bills 21,393 Quantity 1,059,553 m³

C) During the 1st and 2nd four-month periods of 2007, all sectors were regularly priced, as well as the respective 1st and 2nd four-month periods of 2008.

Recap

1. **Additional** quantities of water that were further priced within 2007 in relation to 2006 (B)
127.160 + 1.059.553 **1.186.713m³**

2. **Less: Additional** quantities of water that were further priced within 2006 in relation to 2007(A) **751,325m³**

Additional balance in 2007 in relation to 2006 **435.388m³**

Average water price **0,568€/m³** their value is:

Water supply, Water value: 435.388*0,568€/m³ = 247.300€

Sewerage: Since the further priced cubic meters concern the regions of panorama and Efkarpia, where the sewerage sector covers about the 70% of the houses, the corresponding

sewerage usage fees, which for 2007 amount to a percentage of 64% on the value of the water, are as follows:

Sewerage value $247.300 \times 70\% \times 64\% = 112.700\text{€}$

Thus, the total value balance of the further pricing within 2007 in relation to 2006 is:

Water supply + Sewerage: $247.300 + 112.700 = 350.000\text{€}$

It is understood that apart from the pricing balance comprised in the income of 2007, the natural increase in the number of consumers is also included, as it is equal to about 1.90% in comparison to the previous year.

ANALYSIS OF THE CONSUMPTION & PRICING DATA

Priced Water Quantities in 2007				
Category of Consumer		Water Quantities		Percentage on total
Household users – Communal		43.806.366 m³		66,76%
Public sector		2.576.31 m³		3,93%
Local Gov. Organiz.	Direct supplies	1.546.849 m³	8.144.791 m³	12,41%
	Network support	6.597.942 m³		
Industries		4.158.007 m³		6,34%
Greek Oils		3.718.240 m³		5,67%
Professional etc.		3.207.580 m³		4,89%
Total		<u>65.611,296 m³</u>		100,00%

The following table represents the structure of the income from the water sales per category of customer.

Water sales price in 2007		
Category of Consumer	Water Quantities	Percentage on total
Household users – Communal	24.911.745,28€	68,61%
Public sector	1.484.889,14€	4,09%

Local Gov. Organiz.	Direct supplies	920.518,14€	2.457.626,50€	6,77%
	Network support	1.537.108,36€		
Industries			2.884.892,58€	7,94%
Greek Oils			2.230.944,00€	6,14%
Professional etc.			2.341.026,70€	6,45%
Total			<u>36.311.124,20€</u>	100,00%

According to the above tables of the Measured – Priced Water Quantities and the Water sales value, an informative table is provided below representing the percentage of consumption and income per category of customer.

Percentage relation between consumption and income from the water sales		
Category of Consumer	Percentage on consumption	Percentage on income
Household users	66,76%	68,61%
Public sector	3,93%	4,09%
Local Gov. Organizations	12,41%	6,77%
Industries	6,34%	7,94%
Greek Oils	5,67%	6,14%
Professional etc.	4,89%	6,45%
Total	100,00%	100,00%

As it is evident from the above mentioned percentage comparison, there is great divergence in the percentages between the water quantities and the income from the supplies to the Local Authorities and this because the price of water sale for the support of networks for 0.22€ is low and much below the average price of the other categories of consumers. Thus, while the Local Gov. Organizations used the 12.41% of the water quantity supplied, they participate in the income of the Company by 6.77%.

On the contrary, the industries and professionals, while they consumed the 6,34% and 4,89% of the total quantity, in the years 2006 and 2007, they provided to the Company the 7,94% and 6,45% of its income, since the price of water sale to them, 0.73€/m³ is much higher than the general average price per cubic meter.

The average price per cubic meter of water is presented in following table separately for each category of consumer, for the years 2005 - 2007.

Average water sales price 2005-2007			
Category of Consumer	2005	2006	2007
Households & Communal	0,5029€/m ³	0,5333€/m ³	0,568€/m ³
Public sector	0.4402€/m ³	0.4400€/m ³	0.576€/m ³
Local Gov. Organizations	0.2867€/m ³	0.2291€/m ³	0,302€/m ³
Industries	0.6944€/m ³	0.6830€/m ³	0,694€/m ³
Greek Oils	0.4878€/m ³	0.6000€/m ³	0,600€/m ³
Professional etc.	0.5062€/m ³	0.7110€/m ³	0,730€/m ³
General average price	<u>0.4954€/m³</u>	<u>0.5223€/m³</u>	<u>0,553€/m³</u>
Deviation	-	<u>5,43%</u>	<u>5,88%</u>

As it is evident from the table, the general average of the prices of water sale for all the consumers was for 0.4954€/m³, for 2006 0.5223€/m³ and finally for 2007 it amounted to 0,553€/m³.

That is:

a) In 2006 a general increase in the average water price is evident in comparison to 2005 by 5.43%. The weighted average increase by 5% on the water sales specified by the CMD 608/2001 of the Ministers of Economy and Finance and that of Macedonia-Thrace, concerning the pricing policy of EYAO SA for the period 2001-2006. In addition, the above mentioned CMD provided for the readjustment of the sewerage percentage from 58% in 2005, to 60% in 2006.

b) In 2007, respectively, in relation to 2006 a general increase in the average water price equal to 5.88% due on the one hand to the weighted average increase by 4% on the water prices consumed by households and industries provided for by the CMD 11741/29-12-2006 in combination with the readjustment of the water prices to the State, which from 0.44€/m³ in 2006 became 0.65€/m³ for 2007, in compliance with the above mentioned Common Ministerial Decree of the Ministers of Economy and Finance and that of Macedonia-Thrace.

In conclusion, from the above table of the average prices of water charging it results that the basic source of income for the Company are the **household consumers**, who regularly consume **about the 2/3** of the total priced water quantity and provide a respective percentage of about **70% of the total income of the Company**.

In addition, as it is evident from the above data, the average water sale price to the household consumers represents almost the general average price in effect for all the consumers - customers of EYAO SA.

DATA ON CHARGING HOUSEHOLDS PER 4-MONTH PERIOD, DIACHRONICALLY

Below there follows a table concerning the change of water prices from 2001 to 2011 per consumption group as well as the change of the percentage of sewerage usage fees in the same period, which is estimated on each water price.

Water and sewerage prices

a) Change of water prices in the period 2001-2011 of household consumers (in €/ m³)

Consumption groups for the 4-month period	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
0-10m ³	0,22	0,24	0,26	0,30	0,33	0,37	0,39	0,41	0,43	0,45	0,47
11-30m ³	0,35	0,37	0,40	0,43	0,47	0,50	0,53	0,56	0,59	0,62	0,65
31-60m ³	0,44	0,46	0,48	0,52	0,55	0,59	0,62	0,65	0,68	0,71	0,74
61-120m ³	0,88	0,90	0,92	0,96	0,99	1,03	1,06	1,09	1,12	1,15	1,18
121-180m ³	1,76	1,86	1,94	2,01	2,12	2,27	2,30	2,33	2,36	2,39	2,42
180m ³ and above	3,52	3,62	3,70	3,77	3,88	4,03	4,03	4,03	4,03	4,03	4,03
b) Sewerage usage on the water prices	50%	50%	55%	55%	58%	60%	64%	68%	72%	76%	80%

It is noted that before the application of the above mentioned prices, there was a great margin of the consumption groups, something that urged the households to consume greater quantities of water because of low water price.

Period 1995-2000

Groups of 4-month consumption: 20m³-60m³-120m³-200m³-400m³-above 400m³

Water prices (€/m³): 0.23- 0.35- 0.56- 0.76- 1.06- 1.52€

It is underlined that for the period 1995-2000 the sewerage usage fees were fixed at the price of 0.10€/m³ regardless the water consumption, something that deprived the sewerage sector from basic income for the coverage of its operational needs.

On the contrary, for 2007, with average water price for household consumers equal to 0.568€/m³ and with a percentage of sewerage usage equal to 64%, the sewerage price per cubic meter of water amounts to 0.37€/m³ (0.568€*64%).

THE STRUCTURE OF THE CLIENTELE OF THE COMPANY

EYAΘ SA on 31/12/2007 had 472.616 customers whose composition was the following:

Composition of Customers		<u>2005</u>	<u>2006</u>	<u>2007</u>
1.	Total of Household Supplies	448.080	458.435	466.775
	– Common Consumers (Households)	420.504 436.489	429.394	
	– Employees of EYAΘ SA & Pensioners	907	923	944
	– Families with many children	5.360	5.463	5.660
	– Communal charges of blocks	21.309	22.655	23.682
2.	Public sector – Local Authorities	2.689	2.785	2.801
3.	Industries - Professionals	1.775	2.034	2.207
4.	Other supplies – fire fighting orifices etc.	708	705	833
Total supplies		453.752	463.959	472.616

According to the table, an annual increase by about 10.000 new consumers is observed. It is worth stressing that in 2006 the Municipality of Efkarpia was fully included in the water supply sector of EYAΘ SA with the incorporation of **3.500** new consumers. In addition, in 2007 apart from the natural increase of the consumers in the existing area of competence of the Company, the water supply system was accessed by some regions the residents of which were supplied with water by means of group hydrometers of big cross sections, under the guarantee of the Municipalities they belonged in geographical terms.

The provisions for 2008, according to the progress in the procedures of permanent water supply of the Municipalities of Pylea, Oreokatsro and Pefka, maintain that on **31-12-2008** the total number of the customers of the Company will reach or surpass the **500.000**. For the following year (**2009**) with the integration of the Municipality of Echedoros and the region of Nikopolis, the estimations increase the number of customers above **525.000**

Pricing Policy of the Company

Until 2001, the pricing policy of the Company did not reflect the rule of cost and profit from the services provided by the former Legal Entities OYΘ and OAΘ, neither was harmonised according to the relation between offer and demand of water. The prices imposed, up to then, on the sales of water, were characterized as cheap enough, while the six scales of consumption were very vast, since the domestic users could consume up to 400m³ per

quarter paying from 0.20€ up to 1€/m³. In addition, the use of sewers during the years 1994-2000 was priced with the symbolic price of 0.10€/m³ that in no case covered the fundamental operational expenses of the sewerage sector, not to mention the enormous investment costs of the former OAO, because of the implementation of big works of heavy infrastructure in the greater region, such as collectors, central ducts and biological treatment stations. The financing of this work burdened mostly Public Legal Entities and the Cohesion Fund. Thus, in 2001, and before the listing of the Company in the Athens Stock Exchange, the new pricing policy of the Company was adopted, according to the provisions of L.2937/2001. According to this, on the one hand the covering of the operational cost of the Company was specified, and on the other hand the implementation of investment programs, in order the work performed to ensure reasonable profits for the Company.

According to article of 21 N.2937/2001, EYAO every five-year period that follows has to decide for the pricing mechanism for the water supply and sewerage with the final approval – sanction coming from the competent Ministers. In order to do this, the BoD of EYAO SA by virtue of the no. 517/2006 Decision, approved the pricing policy of five-year period 2007-2011, that was eventually ratified by virtue of the 11741/29-12-2006 CMD of the Ministers of Economy and Finance and Macedonia-Thrace (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 202, Issue B', 16/2/2007). The new pricing policy of the Company, for the period 2007-2011, provides for the prices that are included in the following articles.

1. Household bill (4-month consumption)

4-month Consumption Scale	Prices in €/m ³					
	Valid prices for 2006	2007	2008	2009	2010	2011
0-10 m ³	0,37	0,39	0,41	0,43	0,45	0,47
11-30 m ³	0,50	0,53	0,56	0,59	0,62	0,65
31-60 m ³	0,59	0,62	0,65	0,68	0,71	0,74
61-120 m ³	1,03	1,06	1,09	1,12	1,15	1,18
121-180 m ³	2,2	2,3	2,3	2,3	2,3	2,4
	7	0	3	6	9	2
181 m ³ < above	4,0	4,0	4,0	4,0	4,0	4,0
	3	3	3	3	3	3

The citizens with at least four (4) children are charged by the 50% of their 4-month consumption.

The above mentioned prices are to be valid from May 2007 and will concern the consumption of water since 1/1/2007, as it will be computed after the 30/4/2007, so as to concern full 4-month consumption periods within 2007 etc. will be valid according to the consumers' table until 31-12-2011 and will be priced until 30-4-2012.

2. Other categories of consumers

Category	2006 – valid (€)	Prices for the next 5-year period 2007-2011				
		2007 €	2008 €	2009 €	2010 €	2011 €
Communal taps in blocks of flats	0,7 3	1,0 6	1,0 6	1,0 6	1,0 6	1,0 6
Professionals	0,7 3	0,7 5	0,7 7	0,7 9	0,8 1	0,8 3
<u>Industries</u> 0-500m ³ /month	0,4 4	0,4 6	0,4 8	0,5 0	0,5 2	0,5 4
501m ³ < above	0,7 3	0,7 5	0,7 7	0,7 9	0,8 1	0,8 3
Public sector – Local authorities (From 0.44€)	0,4 4	0,6 5	0,6 5	0,6 5	0,6 5	0,6 5
Support of networks of local authorities, non customers of EYAO SA	0,2 2	0,2 8	0,3 0	0,3 2	0,3 5	0,3 8
Greek Oils (on the basis of	0,6 0	0,6 0	0,6 0	0,6 0	0,6 0	0,6 0

the 20-year contract)						
Organization of Port of Thessaloniki [ΟΛΘ] (from 0.88€)	0,88	1,00	1,00	1,00	1,00	1,00

The prices for the communal supplies in the Public Sector, the local authorities and the port (ΟΛΘ) will remain constant throughout 2007-2011, as they were the same throughout the previous 5-year period as well to rather low levels, and thus, they are readjusted in such a way as to be harmonized with the general average price per cubic meter of the whole consumption.

3. Sewerage usage fees

They are calculated on the total value of the water each time to a percentage which is readjusted from 60% in 2006, until 2011:

Years	2006	2007	2008	2009	2010	2011
Percentage	60%	64%	68%	72%	76%	80%

4. Fixed fees

The fixed fees charged, depending on the cross-section of the supply, are readjusted by 4% annually, as represented in the table below:

Supply (Cross-section)	Fixed Fees per	Year (in €)					
		Year 2006 - €	2007	2008	2009	2010	2011
½ & ¾	Month	0,62	0,65	0,68	0,71	0,74	0,77
	4-month	2,48	2,60	2,72	2,84	2,96	3,08

1'	Month	2,4 8	2, 58	2,6 8	2,7 9	2,9 0	3,0 2
	4-month	9,9 2	10 ,32	10, 72	11, 16	11, 60	12, 08
1 ½'	Month	3,7 2	3, 87	4,0 2	4,1 8	4,3 5	4,5 3
	4-month	14, 88	15 ,48	16, 08	16, 72	17, 40	18, 12
2'	Month	7,4 4	7, 74	8,0 5	8,3 7	8,7 0	9,0 5
	4-month	29, 76	30 ,96	32, 20	33, 48	34, 80	36, 20
3'	Month	12, 40	12 ,90	13, 41	13, 95	14, 5	15, 08
	4-month	49, 60	51 ,60	53, 64	55, 80	58	60, 32
4' & above	Month	18, 60	19 ,34	20, 12	20, 92	21, 76	22, 63
	4-month	74, 40	77 ,36	80, 48	83, 68	87, 04	90, 52

For the supplies of ½ & ¾ in. concerning mainly household consumers, the fixed fees are calculated in double for consumption of more than 40 m³ per 4-month period.

5. Fees for the maintenance and replacement of hydrometers

These fees, provided for in article of 28 of the Water Supply Regulation of EYAΘ SA, are determined by the price of the 1st scale of domestic tariff for the period 2007-2011, calculated on the number of cubic meters of water, according to the cross-section of each supply.

More specifically for the households that cover about the 99% of all the customers-consumers of the Company and use water supplies of ½ in. cross- section, they are charged for the fees in question with the value of 2m³ of water per month, calculated at the price of the 1st scale. That is, for each four-month consuming period, the charge will be 8m³.

Year	2006	2007	2008	2009	2010	2011
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Fees for the maintenance and replacement of hydrometers	2,96	3,12	3,28	3,44	3,60	3,76
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6. Other Water supply – Sewerage services

All kinds of tariffs of the other services provided by EYAΘ, that are mainly connections to the networks, private ramifications, expansion of networks as well as several work that concern interventions of the Company for the repair of damages, interruptions and reconnections of supplies etc are increased by 10% for 2007 and by 4% annually for the next years from 2008 to 2011.

In the Decisions approving the above mentioned pricing policy, the fees for the use of sewers are not included, which should be imposed, collected and paid to EYAΘ by the Municipalities that are supplied with water from the same water supply networks; however they are provided with sewerage services by EYAΘ. Thus, the Department of Consumers suggested to the BoD of EYAΘ the relevant issue and the latter approved the suggested prices for fees concerning the use of sewers from 2007-2011.

Therefore, according to the decision 106/2007 of the BoD of EYAΘ SA, which will enjoy further approval from the competent Ministers of Economy and Finance and Macedonia-Thrace, single prices for the use of the sewers independent from the consumption of water for the citizens of the above mentioned local authorities are specified, based on the rates of sewerage of every year until 2011, on the price of the 2nd scale of the household tariff, as in the following table:

Year	Price of the 2 nd scale of household tariff	Sewerage percentage	Sewerage value
2007	0,53€/m ³	64%	0,34€/m ³
2008	0,56€/m ³	68%	0,38€/m ³
2009	0,59€/m ³	72%	0,42€/m ³
2010	0,62€/m ³	76%	0,47€/m ³
2011	0,65€/m ³	80%	0,52€/m ³

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Finally, on all above-mentioned prices included in the new policy of the Company, from now on, default interests will be imposed on the due debts of customers - consumers. According to the Decision 24/2007 of the BoD of EYAΘ, the interest-rate that will be in effect from May 2007 will be of 10.75% annually, with the calculation of the interest at 0.895% per month. Already, after the readjustment of the interest rates of the Central Bank of Greece, the annual interest rate amounts to 12% and respectively 1% per month, which already is imposed on the expired bills since early 2008? In any case, the calculation of the interest will be held on the 16th of the next month from the one that the deadlines of payment expire.

CHAPTER G'

BUSINESS – INVESTMENT PLAN

EYAO S.A. 2007 – 2011

The Management of EYAO SA, keeping in mind the dominating attitude of the Company concerning the management of the water and liquid waste in the greater region of Thessaloniki and that it is activated in a socially sensitive sector, sets strategic objectives that ensure a profitable as well as advantageous for the society course of development.

1. Introduction – History

First five-year scheduled period 2002 – 2006 is characterized by the listing of the Company in the Athens Stock Exchange, substantially, and it was rather a period of adaptation in the new business environment. Thus, despite the fact that EYAO SA operates in the form of Joint Stock Company since 1997, even nowadays the characteristics of its origin from the public Sector are obvious, as well as the fact that it derived from the merging of two legal entities of public law.

Thus, the period 2002 – 2006 was completed with the adaptation of the memorandum of Association of EYAO SA to the demands of corporate governance, the adoption of a new By-Law more adapted to the present business conditions and in the restructuring of the organisational structure of the Company with the application of more coherent organisational framework.

The liquidation of the assets accounts of the company and the application of International Accounting Standards contributed to the faithful, henceforth, representation of the assets of the company, its net worth and profitability while they signalled the beginning of another approach of EYAO SA in the contemporary, competitive business environment.

All the above mentioned were represented in the continuous, constant increase of the net worth of the Company (2005: 66.833.000 €, 2006: 73.318 .000 €) and its integration in the category of Big Capitalisation, a fact that had as a result the attraction of an international interest for the Company (Meliorbanca-Italy, The Reservoir Fund-USA etc.).

In 2006, the 5-year long Investment Program of EYAO SA for the period 2002 – 2006 was completed, which had been drawn up in view of its listing in the Athens Stock Exchange and had been included in the scheduled contract with the Greek State and EYAO Παγίων. Analytic data on the implementation of the above-mentioned investment program are presented in the relevant report that the competent authority prepares.

In step with the investment program of EYAO SA, in the framework of the scheduled agreement of 2001, the materialisation of a corresponding investment program by EYAO Παγίων was also specified. Despite the fact that since November 2005 eight projects of the

investment program of ΕΥΑΘ Παγίων have been included for financing in the Program of Public Investments (ΠΔΕ, ΣΑΕ 0276, budget 113.8 millions €) up to now ΕΥΑΘ Παγίων has neither proceeded to the concretisation of these projects, nor to the contracting of any scheduled agreement/-s with ΕΥΑΘ SA concerning the implementation of these projects, despite the continuous reminders of ΕΥΑΘ SA on this issue

It should be noted that the not implementation on part of ΕΥΑΘ Παγίων of the agreed investment program for the period 2002 – 2006, apart from violation of the fundamental terms of the contract, surcharges with additional operational expenses ΕΥΑΘ SA, while at the same time it is burdened with loss of income as well, due to the delay of expansion of the region of the Company activities. At the same time, it renders precarious the supply of the City of Thessaloniki with potable water and limits the possibilities of effective protection of the environment.

Consequently, any discussion on the “new investment program of ΕΥΑΘ Παγίων for the period of 2007 - 2011” has no practical significance, since it is fully evident that the agreed investment program of ΕΥΑΘ Παγίων for the period of 2002 – 2006 remained void of content. ΕΥΑΘ SA makes efforts, in each legal way, to sign the scheduled agreement with ΕΥΑΘ Παγίων or directly with the MINISTRY OF ENVIRONMENT, URBAN PLANNING AND PUBLIC WORKS for the implementation of the financed projects.

The long experience acquired by ΕΥΑΘ SA in the past few years in combination with the abundant data and information that collected and processes, constitute the infrastructure, on which the new 5-year Investment Program (2007-2011) was structured, that will constitute also the compass for the course followed in the next five years. Not to mention that its successful implementation (of the investment program) ensures the viability and development of the Company.

2. Concessions – Reference

The contract in effect of ΕΥΑΘ SA with the Greek State for the exclusive water supply and sewerage service provision is of a thirty-year (30 years) duration and expires in 2031 (law 2937/2001, article 20, paragraph 2). Inter alia, the contract provides for the payment to ΕΥΑΘ SA from the State of the non depreciated value of the assets in case the contract is not renewed (Scheduled Agreement 2001, article 6, paragraph 3). Consequently, ΕΥΑΘ SA can invest with relative safety to the system, anticipating the recuperation of the non-depreciated value of its investments, in case the contract is not renewed on its expiry.

In order the fundamental planning of realistic a business – investment plan for period 2007 - 2011 to be possible, the tracing of advantages, weaknesses, opportunities and threats deriving from the interior and external financial environment of the Company as well as the analysis of its macro-environment are required. A succinct SWOT analysis as well as the relevant PEST analysis follows.

3. SWOT Analysis (succinct)

Below, the Strengths and Weaknesses of the company as well as the Opportunities and Threats that exist are concisely studied. The Strengths and Weaknesses concern the internal environment of the business as they result from the internal resources that it possesses. On the contrary, the Opportunities and Threats reflect variables of the external environment of the enterprise which it should trace, as well as be adapted to them or even adapt them.

3.1 Strengths

- A contract with the Greek State for the provision of exclusive water supply and sewerage services for thirty (30) years.
- Vast customer service network (one hundred and sixty five customer service points)
- Vast clientele (2006: 463.959 customers)
- Right of expand in rapidly developing regions
- Solid organisational structure
- Exceptional quality potable water from the springs of Arravisos
- Sophisticated refinery of potable water and a modern enough sewages treatment plant for the tourist regions AINEIA
- Experienced technical personnel

3.2 Weaknesses

- Low specialisation of personnel
- High labour cost (~43.000€ per worker per year, of over twofold of the market, total expense of personnel 23.3 millions € in 2006)
- Absence of modern automations and single networks and installations control centre (SCADA, control systems etc.)
- Absence of a hydraulic model and a geographic information system
- Significant power consumption and respective cost (~7.73 million € in 2006)
- Poor information system (one-stop customer service inapplicable)
- Lack of know-how in peak sectors (operation of installations)
- High cost of operation of installations (lack of automations)
- Absence of fundamental research and development of know-how
- Limited cash flow due to delays of repayments and significant suspended claims from customers
- Significant land-planning differentiation of the water supply zone from the sewerage zone (sewerage zone bigger than the water supply zone)
- Obsolete and with seriously operational problems sewages treatment plant of ΕΕΛΘ
- High uncertainty of wholesale customers' debts cashing (Local Authorities, etc)
- Weaknesses of the contract with the Greek State, especially in system determination

3.3 Opportunities

- Opening of the water supply – sewerage markets of South-eastern Europe
- Law 3429/2005 on Public Enterprises and Organisations (Utilities)
- Favourable developmental law
- Establishment of private economy criteria in the operation of ΔEYA
- Need for complete management of water resources
- Opening of the telecommunications market
- Opening of the energy market
- Motivation of investment in renewable sources of energy
- Community report framework of 2007 - 2013
- Retirement of the 30 - 35% of the personnel during the three-year period 2007 - 2009 and consequently there is a direct possibility to restructure the personnel
- Chances of international strategic collaborations development

3.4 Threats

- Possible reduction of the average annual household consumption
- Creation of a tertiary output basis in the region of the City of Thessaloniki (the stoppage of operation of the Phosphoric fertilizers Plant resulting in the reduction of the consumption by ~2.2 million m³ in 2006 as for 2005).
- Water shortage, as no compensation for EYAΘ SA is specified in case of absence of available quantities of crude water from the EYAΘ ΠΑΓΙΩΝ
- Increase of the energy cost
- Silt treatment and disposal
- Safety of water supply (duct of Arravisos, connecting channel etc)
- Further opening of the market
- Delay in the implementation or non implementation of the investment program of EYAΘ ΠΑΓΙΩΝ
- Maintenance of the processes controlled by the Supreme Authority of Personnel Selection in the hiring of personnel, as the company is called to operate in terms of market being however unable to be staffed with executives from the market.

4. PEST Analysis (succinct)

For the analysis of Macro-environment of the enterprise (i.e. the systems and structures that surround it) analysis PEST is used, which contributes to the more spherical analysis of the current situation concerning the Macro-environment in which the Company is called to operate.

4.1 Political Environment

L.2651/1998 and L.2937/2001 as well as, the since 27 - 7 - 2001 scheduled agreement between EYAΘ ΠΑΓΙΩΝ and the Greek state constitute the basic legal framework that regulates the operation of EYAΘ SA

L.3429/2005 on the utilities determined that the companies whose share is listed in an organised market (such as EYAΘ SA) is excluded from the provisions of the State and the greater Public sector. Thus, L.2190/1920 and L. 3016/2002 govern the operation of EYAΘ SA. The By-laws (valid since August 2006) in effect enables the Company to hire its Managers (the General Manager, other Managers) from the market, while antiquity in the promotion of the personnel as well as the ranks have been abolished.

4.2 Financial Environment

The company is activated in the region of the City of Thessaloniki that constitutes the second bigger city of the country. It is composed, in full extent, of twenty-three (23) municipalities and assembles the ~15% of the population of the country. It constitutes a powerful pole of industrial development, it participates in the GNP at ~35% and despite the fact of a relatively significant unemployment rate, the average income of the region is higher than the national average. The presence of the port of Thessaloniki, the construction of Egnatia Odos and its vertical axes, in combination with the integration of the adjacent countries in the European Union, create positive prospects for the economic development of the region.

4.3 Social Environment

The social structures in the region of activity of EYAΘ SA present exceptional stability and there are no significant problems of social instability. The unemployment constitutes the main problem, but the cohesion of the social web does not seem to be influenced. The presence of economic immigrants has not degraded the characteristics and the operations of the society.

4.4 Technological Environment

The advancement of technology in the last decades has provided solutions to a series of problems and offers tools to ensure the supply of potable water of exceptional quality and the effective protection of the environment. The Company shows a delay in the incorporation of high technology applications and it has to make up to them.

5. Conclusions

The business – investment program of EYAΘ SA for the period 2007 – 2011, taking into consideration the macro-environment in which the Company operates, should exploit the advantages in order to utilize the opportunities, so as to limit the weaknesses in order to anticipate, as far as possible, the threats.

Consequently, the business – investment plan of the company should cover the need for incorporation of peak technologies, expansion of the area of activities of the company, upgrade of its installations, opening in new markets and activities.

6. Strategy - Axes of Action

The actions of the Management and the whole business – investment plan of EYAΘ SA have taken into consideration the data of the above mentioned analysis.

EYAΘ, for period 2007 - 2011, sets as an objective the **Full Services Provision (Π.ΟΛ.Υ.)** in

its field of activities.

By means of the term Full Services Provision it is meant the provision of both water supply and sewerage services directly to the end consumer, in the entire, as far as possible, area of activities of EYAΘ SA."

Thus it is estimated that significant upgrading of the services provided to the consumers – customers of EYAΘ will be achieved. Besides, significant improvement of the financial sizes of the Company for the next five-year period is expected, thanks to the policy of expansion of the area of activities of EYAΘ and the rationalization of the expenses.

In the framework of Full Services Provision EYAΘ SA plans to take action in the following main axes:

- (a) The expansion of the activities of the company is specified first in the regions where EYAΘ already provides services and then in new regions. Thus, up to late 2007, the full integration of the municipalities of Oreokastro, Pylaia, Pefka and Echedoros is expected, as well as that of the regions of Nikopoli at the municipality of Stavroupoli and Anthokipi at the municipality of Polichni. Strategic objectives are also the municipalities of Thermi, Chortiati, Chalastra and Mikra.
- (b) The automation of its plants with the installation of sophisticated systems of automatic control and a single facilities operation – administration centre (networks, pump houses, reservoirs, treatment plants)
- (c) one-stop customer service
- (d) The development of business initiatives in peak sectors such as the energy and telecommunications
- (e) The increase of the actual value of EYAΘ SA with the acquisition of know-how but also infrastructures that will constitute the mesh of the necessary competitive advantages of the Company, in order to effectively operate in an open market.
- (f) The creation of competitive advantage with the foundation of affiliated companies

7. Means

For the achievement of the above mentioned objectives, EYAΘ SA plans investments of one hundred and two millions seven hundred thousands (102.7) € in the five-year period 2007 - 2011 at her area of its activities. From these, eighty seven (87) millions € will derive from proper funds and for this aim the Company proceeded to the application of a new more rational pricing policy for the provision of water supply and sewerage services, for the period 2007-2011.

According to this, weighted average increases of 4% annually on the water sales as well as readjustment of tariffs of the other services provided by EYAΘ SA to its consumers-customers are specified. It is particularly significant to stress that, for the period 2007 - 2011, the increase of tax per consumer provided will amount to the 1/3 of the respective increase of cost for the

period 2000 - 2006. This way the sustainability of the business without the past immoderate taxation of the consumers is ensured.

At the same time, the Company will seek to be integrated in the developmental law (via an affiliated company), for the granting of subsidies through competitive programs of the European Union, but also to borrow for the implementation of the energy investment.

8. Financing - Income specified

The expected financial results for the period 2007 - 2011 indicate the unhindered anticipation of both the investment plans and of the operational needs of EYAΘ SA.

For the provision of income the following are taken into consideration:

- Year of basis 2006
- The new pricing policy for the period 2007 – 2011
- The scheduled expansion of the Company in the regions of the municipalities of N. Efkarpia, Pylaia, Oreokastro, Pefka and Echedoros.
- Constant average annual consumption of water per consumer (~100 m³/year)

For the estimations of the operation expenses the following are taken into consideration:

- Year of basis 2006
- Average annual increase of the expenses on personnel 5% (with the maturity of wages)
- Increase of expenses on energy by 30% in late 2011
- Progressive increase of the height of depreciations as an asset that influences the economic results and thus the outflows of taxes and dividends
- Calculation of the expenses of the following fiscal years of the fund of ~2.000.000 € (with a tendency to increase) for silt treatment
- General increase of 5% in the all other operation expenses
- Constant payment to EYAΘ ΠΑΓΙΩΝ of the sum of ~1.500.000 € for the whole five-year period 2007 - 2011, as a compensation for the supply of crude water.

More specifically, the estimations of the financial results for the period 2007 - 2011 are presented below:

CHAPTER H'

COURSE OF THE EQUITY CAPITAL

SHAREHOLDERS' RIGHTS

SHAREHOLDERS' REGISTER DATA 31-12-2007

COMPOSITION OF SHAREHOLDERS 31-12-2007

SHARE CHARACTERISTICS

COMPARATIVE MONTHLY COURSE OF SHARE

THE COURSE OF THE EQUITY CAPITAL

EYAΘ SA, as it has been mentioned above, derived from the merging of former OYΘ SA and OAΘ SA. The two former Joint Stock Companies, after the assessment of their assets for the first time in 1997 (Decree-Laws 156 and 157/25-6-97), they shaped their Equity Capital as follows:

a) OYΘ SA.	186.940.572,27 €
b) OAΘ SA	220.983.125,46 €
After their merging into EYAΘ SA by virtue of L.2651/1998 the total equity capital amounted to	407.923.697,73 €

According to the L.2651/98, on the determination of Equity Capital, the Chartered Auditors undertook to assess the assets of EYAΘ SA. During this assessment, it was estimated that the Company was overpriced and, thanks to the Principle of conservativeness, a reduction of the assets value by about 30% occurred. Thus the new opening Balance-sheet on 1/1/99 shaped the final Equity Capital of EYAΘ SA, to 278.796.771,83 € divided into 95.000.000 shares, of 2.93 € each, all of which were property of the Greek State (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 8174/5-9-2000 P. SAs). According to article 18 of L.2937/26-7-2001 and transfer of the assets to the Legal Entity of Public law "EYAΘ Παγίωv", the Equity Capital of EYAΘ SA was fixed at 15.000.000 €, divided into 15.000.000 shares of 1€ each. At the same time, a special reserve fund of 263.796.771,83 € (278.796.771,83 - 15.000.000), was created which, was then decreased to the value of the assets transferred to EYAΘ Παγίωv.

On 27-7-2001, the Trans-ministerial Decentralization Committee, consisting of the Ministers of Macedonia-Trace, National Economy and Development, by virtue of its 605/27-7-2001 decision, decided to increase the Equity Capital of E.Y.A.Θ. SA by 1.500.000 shares of nominal value equal to 1 €.

At the same time, the disposal to the general investing public of 2.700.000 already existing shares of the Company - Property of the Greek State - was decided. From these shares, the 200.000 concerned private placement of members of the BoD and personnel.

Thus, from the total of 16.500.000 shares of EYAΘ SA, the Greek State, on 31/12/2001, possessed the 74.55%, i.e. 12.300.000 shares and the remaining private individuals and institutional investors possessed the 25.45%, i.e. 4.200.000 shares.

Then, six (6) months (21/03/2002) after the listing of EYAΘ SA in the Stock Exchange, the motive of deduction was applied, as it was specified in the Information Bulletin of its listing. More specifically, two (2) free shares for every ten (10) old shares were given to the shareholders (except the Institutional ones) who kept the shares of Public offering for 6 months and the composition of the Equity Capital became 74.016% Greek State and 25.84% remaining institutional or not investors.

The listing price of the share on 21/9/2001 was fixed to 3.94 €, but for reasons of comparison, its readjusted price – as it was shaped after

A) the increase of the Equity Capital, due to the capitalisation of the reserves at the Extraordinary General Assembly on 30/12/2002, when one (1) free share was distributed for every 10 old shares – will be taken into consideration. The Extraordinary General Assembly of the Shareholders on December 29th, 2006 decided to increase the equity capital of the company by the amount of 2.178.000 € with capitalization due to surplus value. The equity capital was increased with a corresponding increase of the nominal value of the existing shares from one (1) EURO to one EURO and twelve cents (1.12) each. After the above mentioned increase, the equity capital of the company amounted to 20.328.000 €, divided into 18.150.000 common registered shares of nominal value 1.12 €.

B) The increase of the Equity Capital due to capitalization of taxed and non-distributed profits corresponding to one new share for every old one, by issuing 18.150.000 (eighteen millions, one hundred and fifty thousand) new shares of nominal value equal to € 1.12 (one euro and twelve cents) per share and their free disposal to the shareholders, during the Extraordinary General Assembly of the Shareholders on November 7th 2007. Thus, the listing price will be considered hereon equal to 1.79 € as it derives from the relation:

$$P2 = P1 \times M1 / M2 = 3.94 \times 16.500.000 / 36.300.000 = 1.79\text{€}$$

Where

P1: Listing price

M1: Number of shares on listing to the Athens Stock Exchange SA

M2: Current number of shares.

Thus the total Equity Capital of the Company, after the decision of the Extraordinary General Assembly of the Shareholders on November 7th 2007 amounts to 40.560.000 euro, divided into 36.300.000 common registered shares of nominal value one euro and twelve cents (1.12) each.

SHAREHOLDERS' RIGHTS

General information

The shares of the company are nominal and indivisible. Owning a share title *ex officio* means the acceptance on part of its possessor of the Articles of Association of the Company and all the legitimate decisions of the Board of Directors and the general Assembly of the Shareholders, regardless whether the shareholders did not participate in them.

Each share of the Company comprises all the rights and obligations provided for by the Law and the Articles of Association of the Company, which does not include any additional restricting provisions other than those provided for by the valid law.

The shares of the Company are freely negotiated. It is noted that article 5 paragraph, 4 of the Articles of Association of the Company as well as the relevant law 2937/2001 "regulations on EYAO SA", article 18 paragraph 8 it is provided for that "the State reserves the right to offer to investors a percentage up to forty nine percent of each equity capital of the company".

In addition, by virtue of article 11 of L. 3631/2008:

"1. As concerning Joint Stock Companies of national strategic significance, which are or were of monopolistic character, and especially in the case of companies which possess or exploit or manage national substructure networks, the acquisition by a shareholder other than the Greek State or by affiliated companies, under the meaning of article 42ε of CL. 2190/1920, or by shareholders who act in common and harmonized with the voting rights out of the 20% of the total equity capital and above, presupposes the previous authorization of the Intra-ministerial Denationalization Committee of L. 3049/2002, by its procedures".

The shares of the company are intangible. A negotiation unit is the intangible title of ten shares. Each share provides the right to one vote. The shareholders' liability before creditors is limited to the nominal value of the shares they possess. The shareholders participate in the Management and the profits of the Company in

compliance with Law and the provisions of the Articles of Association. The rights and liabilities deriving from each share are indivisible and transferable to any universal or special successor of the shareholder.

The shareholders practise their rights concerning the management of the Company, exclusively by participating in the General Assemblies of the shareholders of the Company. The shareholders have privilege of preference in each future increase of participial of the equity capital of the company, depending on their participation in the existing equity capital, as it is determined in article 19, paragraph 7 of L. 3604/2007.

The lenders of the shareholder and their successor can in no case because the confiscation or the sealing of any assets or books of the Company, neither asks for distribution or liquidation, neither have they got involved in any case in its management or administration.

Each shareholder, regardless of his/ her residence, is considered as having as a legitimate residence the seat of the Company, as concerning his/her relations with it and comes under the Greek Legislation. Any dispute between the Company on the one hand and the shareholders or any third party on the other hand, is governed by the exclusive competence of regular courts, while the Company is sued only before the courts of its seat.

Each share provides the right to one vote. In order joint possessors of the share to have the right to vote in the General Assembly, they should nominate in written to the Company a common representative for this share, who will represent them in General Assembly, yet until such a nomination, the exercise of their rights is suspended.

Each shareholder is eligible to participate in the General Assembly of the Company, either in person, or via an assignee. In order a shareholder to participate in the General Assembly, he/she should have received a certificate from the Central Securities Depository, at least five (5) days before the fixed date for the meeting of the General Assembly. Within the same deadline, the vouchers of deposit of the shares and the documents of representation it should be submitted to the Company, and be provided with a proof which gives the shareholder the right of entry in the place where the General Assembly is held. Shareholders, who do not comply with the above mentioned preconditions, participate in the General Assembly only after its explicit permission. Each shareholder can ask, ten (10) days before the Regular General Assembly, the annual financial statements of the Company and the relevant reports of the Board of Directors and the Auditors of the Company.

Special Right of Shareholders or Third Parties

Greek State

The Greek State, which was the unique initial shareholder of EYAΘ S.A., is institutionally consolidated as of the maintenance of majority participation as it has been referred to above. (Article 5, paragraph 4 of the Articles of Association of the Company).

Third Parties

By virtue of article 13 par. 2 of the Encoded Articles of Association of EYAΘ SA, The workers of the company have right to assign two (2) members of the Board of Directors of EYAΘ SA.

Minority Rights

C.L. 2190/1920, as it is in effect, grants certain rights to the shareholder or shareholders, who act jointly, provided that they have a certain minimum minority of participation in the equity capital of the Company. The rights of the minority shareholders were amended by virtue of articles 47 and 49 of the new law 3604/2007 and involve the following modifications:

After the request of shareholders who represent the one twentieth $1/20$ of the equity capital paid, the Board of Directors is compelled to convene extraordinary general assembly of the shareholders, which should not be dated more than forty five (45) days from the date of submission of the request to the chairman of the Board of Directors.

After the request of shareholders, who represent the one twentieth ($1/20$) of the equity capital paid, the Board of Directors is compelled to record in the agenda of the general assembly, that already has been convened, additional issues, if the relevant request is submitted to the devolves to the Board of Directors at least fifteen (15) days before the general assembly is held. The additional issues should be published or notified, under the responsibility of the Board of Directors, in compliance with article 26, at least seven (7) days before the general assembly is held.

After a request made by any shareholder, which is submitted to the company at least five (5) full days before the general assembly, the Board of Directors is compelled to provide to the general assembly the specific information requested concerning the affairs of the company, insofar these are useful for the actual estimation of the issues of the agenda.

- After a request submitted by the shareholders, who represent the one twentieth ($1/20$) of the equity capital paid, the Board of Directors is compelled to notify to the general assembly, provided that its is regular, the sums that during the last two

years, were paid to each member of the Board of Directors or the managers of company, as well as each allowance to these persons for any cause or contract between them and the company.

After a request submitted by the shareholders, who represent the one fifth (1/5) of the equity capital paid, and which is submitted to the company at least five (5) full days before the general assembly, the Board of Directors is compelled to provide to the general assembly all information on the course of corporate affairs and the financial condition of the company.

Shareholders who represent the 1/20 of the equity capital have the right to ask the auditing of the company by the local One-member Court of first instance, where the seat of the company is, if there are speculations on action that violate provisions of laws or the Articles of Association of the company or decisions of the general assembly. In such a case, the request of auditing should be submitted within (3) years from the confirmation of the financial statements of the fiscal year, during which the activities denounced took place.

Shareholders of the company, who represent the one fifth (1/5) of the equity capital paid, are eligible to ask from the One-member Court of first instance the auditing of the company, provided that throughout its course it is sustained that the management of the corporate affairs is not practised in terms of virtuous and prudent administration.

Collection of Dividends

The dividend on each action, provided that its distribution has been decided, is paid to the shareholder within two months from the date of the Regular General Assembly that confirmed the annual financial statements and the distribution of profits, in compliance with articles 279 and 329 of the Regulation of the Stock Exchange. The way and the date of payment will be notified to the shareholders by means of announcements or publications on the daily Press. The claim for the collection of dividend is lapse after five years from the end of the year during which the dividends were claimed.

Taxation of Dividends

According to the tax legislation in effect, the in land joint stock companies of which the shares are listed in the Athens Stock Exchange (except the banks) are taxed by a factor of 25% for 2007 on their taxable profits before any distribution. As a consequence, the dividends distributed have already been taxed in the Joint Stock Company, without the shareholder being liable to any further taxation.

SHAREHOLDERS' REGISTER DATA ON EYAO SA

STRUCTURE OF THE SHARES GROUPS 31-12-2007

Range of shares	Quantity of Shares	Number of Shares	Percentage
0< SHARES <=500	924	199.024	0.55%
500< SHARES <=1.000	468	385.539	1.06%
1.000< SHARES <=10.000	714	2.107.598	5.81%
10.000< SHARES <=250.000	110	4.058.163	11,18%
250.000< SHARES <=12.000.000	6	6.681.676	7,39%
12.000.000< SHARES	1	26.868.000	74.02 %
TOTALS	2.223	36.300.000	100.00%

Composition of Shares of EYAO SA on 31/12/2007			
Shareholders	% of the shares	Number of Shareholders	Quantity of Shares
Greek State	74,02%	1	26.868.000
Legal entities	13.36%	68	4.851.231
Physical entities	12.59%	2.148	4.571.255
Joint possessors group	0,01%	1	2.000
Common share	0,02%	5	7.514
Total	100,00%	2.223	36.300.000

Observing the composition of the shares of EYATH SA on 31-12-2007 to that on 31-12-2006, the following are concluded:

The Greek State continues to be the main shareholder maintaining the same percentage. However, there is a change: the other legal entities, which were 44 in number and possessed the percentage of 11.09% on 31-12- 2006 have changed and on 31-12-2007 68 legal entities are presented, which possess a percentage of 13.36%. That is, the number as well as the percentage of the legal entities has been

increased by 22 and 2.27% respectively.

Respectively, the percentage of the physical entities (2.3%) has been decreased while, at the same time, their number has also been decreased from 1,990 shareholders on 31-12-2006 to 2,143 shareholders on 31-12-2007.

Finally, there are 5 common investment portions owning the 0.02% and 7.514 shares, while there is a joint possessors group owning 2.000 shares and a percentage equal to 0.01%

SHARE CHARACTERISTICS

	2006	2007
Number of Shares	18.150.000	36.300.000
Freely negotiated	4.176.000	9.432.000
Nominal value of the share	1,12 €	1,12 €
Listing price	1,79€	1,79€
Highest price of the year	3,40 €	6,78€
Lowest price of the year	2,14 €	2,84€
Average of the year	2.70 €	4,02€
Closing of the year (31/12)	3.26€	6,3€
Stock Exchange value of EYAO SA (31/12)	59.690.000 €	228.690.000 €
Dividend	0,18€	0,10€

The share of EYAO SA in 2007, in comparison to the year 2006, exhibited the course represented in the following table. EYAO SA with a total capitalization more than 100.000.000 EURO, dispersion over 20% and tradability over 15%, during the half-year review, was included in the Blue Chip category of the Athens Stock Exchange, since 10-4-2007.

RETURN OF THE SHARE

The return of the share increased by 108%

Tradability increased by 17.43% in the 2nd half of 2007 in comparison to the 1st one, taking into consideration also the stock split on 19/12, 6,64 is the highest price of the year while 2.98 is the lowest price of the year

Comparative Group 31/12/07 *					
	M	P/E	P/E	EV/EBITDA	EV/EBITDA
	Cap	07a(x)	08e(x)	07a(x)	08e(x)
	(€mil.)				
EYATH	229	16.1	12.1	11.3	9.8
EYDAP	1,174	23.7	24.7	15.7	13.1
Athens					
Northumbrian	2,500	13.9	14.1	10.3	10
Pennon	3,198	20	18.2	11.3	10.4
Group					
Acqua	2,230	27.7	24.1	12.6	10.9
America					
Acquas de	4,115	22.9	23.5	8.4	7.8
Barcelona					

Severn Trent	4,961	16.3	14.1	9.7	8.7
Kelda	4,772	16.1	14.7	12.1	10.1
Median (ex-EYATH)	20	18.2	11.3	10.1	
*Source: Thomson Reuters					

**COMPARATIVE MONTHLY COURSE OF SHARE IN 2007
1st HALF (SIX MONTHS)**

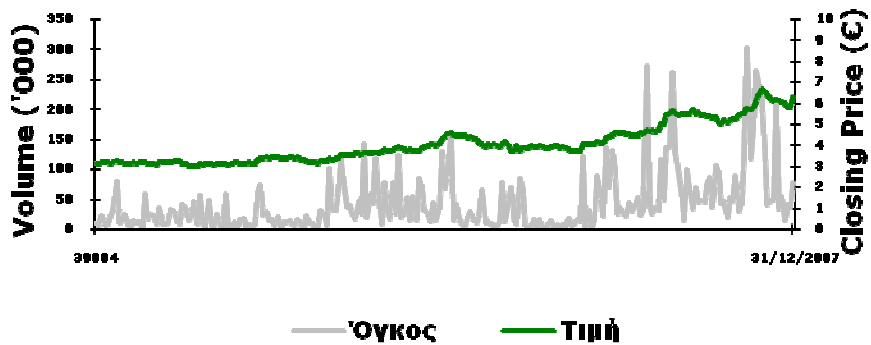
DATE	31/1/07	28/2/07	31/3/07	30/4/07	31/5/07	30/6/07
TOTAL EXCHANGE VOLUME	459.556	384.412	377.464	334.976	862.122	1.028.156
MAXIMUM HIGHEST PRICE	3,29	3,25	3,18	3,44	3,67	4,01
MINIMUM LOWEST PRICE	3,07	3	2,84	3,1	3,13	3,55
CLOSING PRICE	3,15	3,12	3,16	3,31	3,62	3,89
AVERAGE CLOSING PRICE	3,18	3,17	3,10	3,35	3,39	3,74
% SHIFT FROM THE CLOSING PRICE 3.26 ON 29/12/2006	-3,37%	-4,29%	-3,07%	1,53%	11,04%	19,33%

**COMPARATIVE MONTHLY COURSE OF SHARE IN 2007
2nd HALF (SIX MONTHS)**

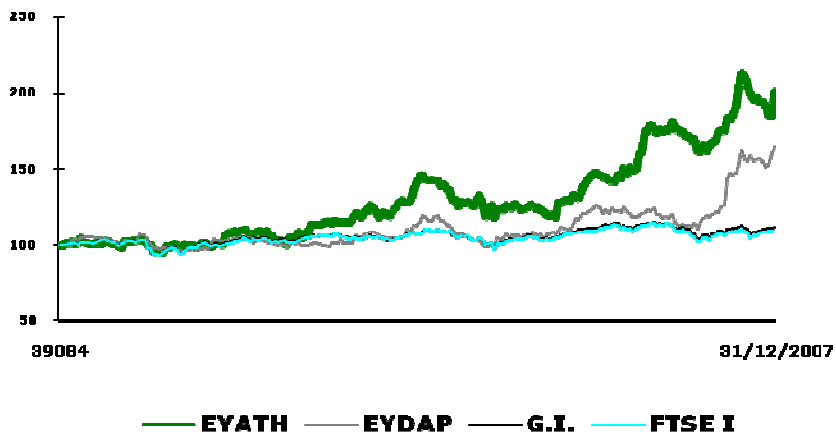
DATE	31/7/07	31/8/07	30/9/07	31/10/07	30/11/07	31/12/07
TOTAL EXCHANGE VOLUME	851.700	487.022	629.710	1.790.268	1.310.106	2.203.110
MAXIMUM HIGHEST PRICE	4,65	4,17	4,42	5,8	5,87	6,78
MINIMUM LOWEST PRICE	3,81	3,55	3,67	4,38	4,85	5,31
CLOSING PRICE	4,01	3,88	4,37	5,5	5,42	6,3
AVERAGE CLOSING PRICE	4,24	3,90	3,97	4,76	5,35	6,04

% SHIFT FROM THE CLOSING PRICE 3.26 ON 29/12/2006						
	23,01%	19,02%	34,05%	68,71%	66,26%	93,25%

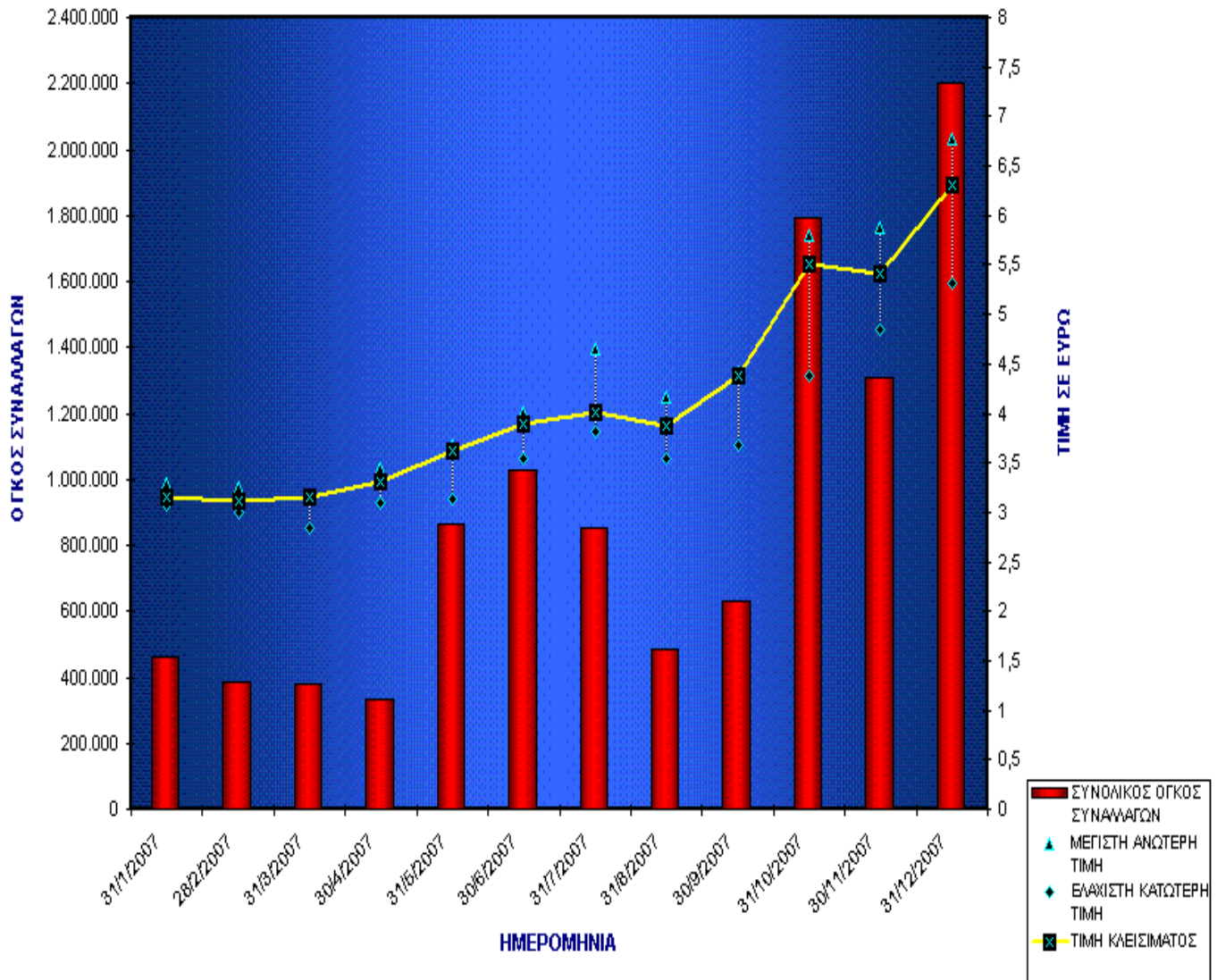
Τιμή & Όγκος - 52 Εβδομάδες



EYATH vs EYDAP vs G.I. - 52 Εβδομάδες



ΕΤΑΙΡΕΙΑ ΥΔΡΕΥΣΗΣ ΚΑΙ ΑΠΟΧΕΤΕΥΣΗΣ ΘΕΣΣΑΛΟΝΙΚΗΣ Α.Ε.



REPORT
OF THE TRANSACTIONS HELD BY THE WATER SUPPLY & SEWERAGE
SYSTEMS OF THESSALONIKI SA FOR THE 7TH FISCAL YEAR (January 1, 2007
- December 31, 2007)

The Company, in compliance with its obligation deriving from L. 3016/2002 article 2 paragr. 4 declares that on 11-12-2007 had a subsidiary established under the trade name "EYAΘ SERVICES SA" with Joint Stock Companies Register No. 64868/062/B/07/0271, which is determined (article 42e paragr. 5 of the CL 2190/1920), as affiliated to the first one; however during the above mentioned fiscal year it did not perform any activities and thus the Board of Directors is not obliged to submit such a report to the supervisory authorities.

Thessaloniki 26-3-2008

ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Skordas I. Georgios

*Chairman of the Board of Directors
& Managing Director*

*Professor of the Aristotle University of
Thessaloniki, Mr. Pavlos K. Smyris*

1st Co-chairman of the BoD

AUDITORS' REPORT

To the stockholders of the company "WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A."

Notes on the Financial Statements

We have audited the attached Financial Statements of the company "WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A." (the "Company"), that consist of the balance-sheet of December 31st 2007, and the statements of results, adjustments of owner's funds and cash flows of the fiscal year that expired on this date, as well as summary of the significant accounting policies and other explanatory notes.

Responsibility of the Management for the Financial Statements

The management of the Company is liable to draw up and present in a plausible way these Financial Statements, in compliance with the International Financial Information Standards, as they have been adopted by the European Union. This responsibility includes the planning, implementation and maintenance of the internal control system with regard to the drawing up and the rational presentation of Financial Statements, without any significant inaccuracies due to fraud or error. This responsibility also includes the choice and implementation of suitable accounting policies and the performance of reasonable – for the circumstances – accounting estimations.

Auditors' Responsibility

Our own responsibility is the formulation of an opinion on these Financial Statements, based on our audit. We perform the audit according to the Greek Accounting Standards that are harmonised with the International Accounting Standards. These Standards require our conformity with the rules of ethics and the planning and performance of our audit, aiming at the reasonable guarantee that the Financial Statements do not exhibit any significant inaccuracies.

The audit includes the performance of processes for the collection of auditing evidence, with regard to the sums and the data included in the financial statements. The processes are selected according to the opinion of the auditor and include the risk estimation of any significant inaccuracy in the financial statements due to fraud or error. For the estimation of such risk, the auditor takes into consideration the internal control system with regard to the drawing up and rational presentation of the financial statements, aiming at the planning of the auditing processes of the financial statements and not for the formulation of an opinion on the effectiveness of the internal control system of the Company. This audit also includes the evaluation of the

appropriateness of the accounting policies applied and reasonability of the estimations made by the management, as well as evaluation of the overall presentation of the financial statements.

We believe that the auditing evidence that we have collected have been sufficient and suitable for the formulation of our opinion.

Opinion

According to our opinion, the attached Financial Statements reasonably present, on all essential aspects, the financial situation of the Company on December 31 2007, its financial performance and its Cash Flows for the fiscal year that expired on this date, according to the International Financial Information Standards, as they were adopted by the European Union.

Without any reservation concerning the conclusions of our audit, we draw your attention to the fact that the tax statements of the Company for the fiscal years 2001 up to 2007 have not been audited by the tax authority, so that additional taxes and surcharges might incur on their auditing and finalization. At this stage, it is unfeasible to predict the outcome of these tax inspections and as a consequence, no provision has been made in the financial statements in this respect.

Report on other legal and normative issues


The Report of the Board of Directors comprises information provided for by article 43a, paragraph 3 of R.N. 2190/20 as well as by article 11a of L.3371/2005 and its content is consistent to the attached financial statements.

Thessaloniki, March 26, 2008

The Auditors

Andreas Dim. Tsamakīs
S.O.E.L. Registration Number 17101

Margarita Konstantia Ant. Vassiliadou
S.O.E.L. Registration Number 12861

 **Πρότυπος Ελληνική Ελεγκτική ΑΕ**
Ορκωτοί Ελεγκτές Λογιστές
Πατησίων 81 & Χέυθεσεν, 104 34 Αθήνα
Α.Μ. ΣΟΕΛ 111

REPORT
OF THE ADMINISTRATION HELD BY THE BoD OF AYAO S.A.
WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.
FOR THE 8TH CORPORATE FISCAL YEAR (January 1, 2007 - December 31,
2007) TO THE REGULAR GENERAL ASSEMBLY

Mr. Mr. Shareholders,

We submit for approval to you the financial statements of the Company EYAO SA for the 8th corporate fiscal year from 1-1-2007 to 31-12-2007. The fiscal year that expired is the 8th one since its foundation as a Joint Stock company and it is also profitable, just like all the previous ones.

The present financial statements have been drawn up according to the adopted by the European Union International Accounting Standards. The implementation of these standards is compulsory for the Companies listed in the Athens Stock exchange also for the fiscal years ending after 31-12-2004.

The company under the trade name "WATER SUPPLY AND SEWERAGE SYSTEMS OF THESSALONIKI", and the discreet title "EYAO" (henceforth the "COMPANY" or "EYAO SA") was founded in 1998 (Law no. 2651/3-11-1998 (Official Gazette of the Hellenic Republic A' 248/2-11-1998) and derived from the merging of the joint Stock Companies "Water Supply of Thessaloniki SA" (OYΘ SA) and "Sewerage Systems of Thessaloniki SA" (OAΘ SA), that had been transformed into joint stock companies within 1997.

AIM AND SCOPE OF THE COMPANY

A) The provision of water supply and sewerage services, the study, manufacture, installation, operation, utilization, management, maintenance, expansion and renewal of the water supply and sewerage systems. Among the these activities and works, pumping, desalination, treatment, storage, transport, distribution and management of any kind of waters supplied are included, as well as the works and the activities of collection, transport, treatment, storage and management of any kind of sewages (except toxic ones) and the treatment, distribution, disposal and management of the products of the sewerage networks.

B) The realisation of investments for the improvement of the infrastructures of the Company.

C) The supply of any kind of telecommunications services, especially via the water supply or sewerage networks.

D) The output, especially by the utilization of the water deriving from sources, dams,

aqueducts and ducts, as well as the sale of electric power.

PRICING POLICY

By virtue of the no. 608/27-7-2001 Common Ministerial Decree of the Ministers of National Economy and Finance and Macedonia – Thrace, the tariffs of benefit of the water supply and sewerage services were determined and shaped for the period 2002-2007 as follows:

With regard to the water supply, weighted average increases of the tariffs were applied as follows:

Year	2002	2003	2004	2005	2006	2007
Increase on the 1 st January of each year	3%	4%	5%	5%	5%	5%

With regard to the sewerage, the fees for the usage of a sewer for the common consumers was gradually increased (1-1-2003 : 55% and 1-1-2005: 58%) until 1-1-2006 so that on this date it amounts to the 60% on the price of water consumed.

The BoD of the Company by its no. 517/2006 decision approved the new pricing policy for the five-year period 2007 – 2011, which was ratified by virtue of the no. 11741/29-12-2006 CMD of the Ministers of Economy and Finance and Macedonia - Thrace, (OFFICIAL GAZETTE OF THE HELLENIC REPUBLIC 202, Issue B' 16-2-2007) that has been applied since May 2007 and will concern consumptions of water since 1/1/2007.

According to the new pricing policy, the water supply, weighted average increases of the tariffs for the period 2007-2011 will be as follows:

Year	2007	2008	2009	2010	2011
Increase on the 1 st January of each year	5%	5%	4%	4%	4%

According to the new pricing policy, the fees for the usage of a sewer for the common consumers were gradually increased per year as follows:

	PRICES 2006	2007	2008	2009	2010	2011
Percentage on the price of water consumed	60%	64%	68%	72%	76%	80%

RISKS MANAGEMENT

A. RISKS CONCERNING THE SECTOR IN WHICH THE COMPANY IS ACTIVATED

As concerning any future opening of the market, in compliance to the Community law and the likely impact on the Company, it is mentioned that because of the nature of the infrastructure installed (mainly underground networks and reservoirs), the water supply-sewerage sector constitutes the characteristic example a natural monopoly, where the development of alternative networks and the creation of conditions of competition, where the consumers could select among several suppliers of treated (potable) water, is extremely difficult.

It is pointed out that from all the countries of the European Union, but the rest of the world as well, the water supply-sewerage services are provided by private or state owned companies (or Local Authority Organisations) without the development of competition, within the regions in which these companies provide their services, being an option.

These special characteristics of the of water supply and sewerage sector (that differentiate the particular public utility sector), are acknowledged by the European Union and, up to nowadays, no issue of suppression of the monopolistic character of this sector and development of competition have ever risen, as in the case of the telecommunications service provision, suggestively.

Consequently, at least in near future, there does not seem to be any chance of development of competition in this sector. The only case in which, by any chance, future Community legislation imposes some form of competition, is in case it requires the choice of the water supply-sewerage service provider takes place via the process of tender, so as, through this approach, competition – not on the level of the services provided, but rather at the stage of choice of this legal entity, which managing the already existing water supply and sewerage networks will provide services to the consumers – to be developed.

B. Financial Risk Factors

The main financial tools of the Company are cash, bank deposits, commercial and other claims and liabilities and bank loans as well. The Management of the Company regularly examines and revises the relevant policies and processes with regard to the

management of financial risks, such as the credit risk and the liquidity risk, described below:

A. Market Risk

(i) Exchange Risk

The Company does not anticipate any exchange risks as during the closing fiscal year it had not realized any transactions in foreigner currency and all of its assets and claims were in euro.

(ii) Price Risk

As concerning price risk, the Company is not exposed to any significant variable fluctuation risk which determines both income and cost.

(iii) Cash flows and fair value of risk interest-rate

The Company does not anticipate any interest-rate risk, since it borrows at a fixed interest-rate.

B. Credit risk

The Company follows a clear credit policy which is consistently implemented. Moreover, it has a big number of customers and consequently the wide dissemination of its clientele contributes to the existence of low credit risk in comparison to these claims. The Management of the Company permanently observes the financing condition of its customers, the size and the limits of the credits provided. At the end of the fiscal year, the management considered that there is no significant credit risk that could not be covered by some guarantee or by sufficient provision of precarious claims. The greatest expose in credit risk is reflected in the height of each asset.

C. Liquidity risk

Liquidity risk is kept at low levels by means of the availability of adequate cash reserves.

The ending of the financial liabilities on December 31st, 2007 (December 31, 2006) for the Company is analyzed as follows:

TABLE OF FINANCIAL LIABILITIES ENDING ON 31/12/2007

	2007			
	Short-term		Long-term	
	within 6 months	from 6 to 12 months	from 1 to 5 years	later than 5 years
Bank Loans	794	814	2.958	152
Other long-term liabilities				9.444
Suppliers and other liabilities	8.445	7.597		
Short-term tax liabilities	5.435			

Σύνολο

14.674	8.411	2.958	9.596
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ΠΙΝΑΚΑΣ ΛΗΚΤΟΤΗΤΑΣ ΧΡΗΜΑΤΟΟΙΚΟΝΟΜΙΚΩΝ ΥΠΟΧΡΕΩΣΕΩΝ 31/12/2006

	2006			
	Short-term		Long-term	
	within 6 months	from 6 to 12 months	from 1 to 5 years	later than 5 years
Long-term Loans	794	806	4.098	619
Other long-term liabilities				8.676
Suppliers and other liabilities	7.780	5.952		
Short-term tax liabilities	3.779			
Total	12.353	6.758	4.098	9.295

Capital Risk Management

The aim of the Company, when managing capitals, is to ensure its continuous activity, in order to provide profits to the stockholders and benefits to all other interested parties, as well as to maintain a capital structure, which is to diminish the capital cost.

In order to maintain or adjust the capital structure, the Group has to adapt the amount of dividends and the capital return to the stock-holders, issue new stocks or sale assets, so as to decrease debt.

The capital is surveyed on the basis of a ranking up factor. The factor is estimated as the net debt divided by the total capital. Net debt is estimated as the total loan (short- and long-term loans included as they appear in the balance-sheet) less cash at hand. Total capital is estimated as the owner's capitals appearing in the balance-sheet plus net debt.

	2007	2006
Total Loans	4.718	6.317
Less : Cash at hand	(13.152)	(10.358)
Net debt	(8.434)	(4.041)
Total owner's equity	82.442	73.318
Total capital	74.008	69.278
Ranking up factor	-11,40%	-5,83%

Plausible value

The amounts, in which the reserves at hand, the claims and the short-term liabilities appear in the balance-sheet, are close to their respective plausible values due to their short-term expiry.

AREA OF ACTIVITIES OF EYAΘ SA & ITS EXPANSION

According to article 26 of Law 2937/2001, the area in which the Company is able to provide its services and perform its activities, is the following:

AS FOR WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stayroupoli, Panorama, as well as the industrial zone of Thessaloniki.

AS FOR SEWERAGE, the area serviced by EYAΘ SA is divided into five regions:

“Region A” includes the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Diabata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pylaia, Panorama, Oreokastro, the municipal regions of Ionia and Kalohori at the Municipality Echedoros and the Community of Efkarpia.

“Region B” includes the region encircled by the Gallikos and Axios rivers up to the sea, in which the industrial zone of the greater Thessaloniki, the municipal region of Sindos at the Municipality of Echedoros, the municipal regions of Agios Athanassios, Agchialos and Gefyra at the Municipality Ag. Athanassios and the municipal regions of Chalastra and Anatoliko at the Municipality of Chalastra are included.

“Region C” includes the area of the upland of the City of Thessaloniki and includes the Community of Pefka and the Municipal regions of Asbestochori, Exochi, Filyro at the Municipality of Chortiatis.

“Region D” extends from the Municipalities of Kalamaria and Panorama up to the municipal baths of Sedes and up to the airport of Mikra and includes the Industrial zone and the Municipal regions of Thermi, N. Redestos, N. Rysio and Tagarades at the Municipality of Thermi and the Municipal region of Agia Paraskevi at the Municipality of Vasilika.

“Region E” extends from the airport of Mikra and the Municipal regions of N. Rysio and Tagarades of Ag. Paraskevi up to the sea and it includes the Municipal regions of Ag. Triada, Perea, N. Epivates at the Municipality of Thermaikos and the municipal regions of N. Michaniona, Emvolo and Aggelochoori at the Municipality Michaniona.

The Company by virtue of a contract signed between each Municipality and EYAΘ Παγίων can undertake the existing network of the Local Authorities that is found in one of the above mentioned regions and the obligation to provide water supply or sewerage services in the Municipality concerned.

The Company by virtue of a contract signed between each Municipality and EYAΘ Παγίων and by virtue of a common decree of the Ministers of Internal Affairs, Public

Administration and Decentralisation, Economy, Development, and the Ministry of Environment, Urban Planning and Public Works and Macedonia-Thrace, can expand its activity to a region the Local Authorities outside the above mentioned regions.

In 2007 the mapping of the Municipalities of Pylaia, Oreokastro and Pefka was completed. Within 2008 the replacement of the hydrometers will be implemented, so as until June 2008 the measurement of the water supplied to the new customers of the Company to be enabled, along with its pricing. The number of the new customers from the implementation of the above mentioned Municipalities will be about 22.000.

Within 2008 the mapping of the Municipal Districts of Magnisia, Diavata, Kalochori and Sindos of the Municipality of Echedoros will be implemented, aiming at - until 31/12/2008 - all the Company's new citizens-customers of this Municipality (amounting at about 15.000) to be registered. It is estimated that until March 2009 the replacement of all hydrometers will be implemented.

Finally, within 2009 it is expected the area of Nikopolis to be placed among the region of responsibility of EYAO S.A. This area at the moment belongs as of 80% to the Municipality of Stavroupolis and as of 20% to the Municipalities of Polichni and Evosmos.

OBJECTIVES AND STRATEGIES

The Strategy of the Company aims at the fulfilment of its obligations as a Public Utility in combination with the increase of the fortune of the shareholders.

To this aim, it seeks the improvement of the quality of the services provided by means of the investment program, the improvement of infrastructures, the expansion of the Technological infrastructures through the usage of sophisticated software and the development of specialised computer applications.

The prime mover of the Company is the personnel of EYAO SA, the wages of whom are regulated by virtue of Collective Contracts with the Business.

RESULTS AND EXPECTATIONS

2007 was a particularly positive year for EYAO SA, something that is recorded in the Financial Statements published.

More specifically, the turnover amounted to the sum of € 70.100 in comparison to the € 66.035 of the previous year, exhibiting an increase of € 4,065 or 6.15%. Respectively, the other operation income for the year 2007 amounted to € 7,118 in comparison to the 6.225 €, showing an increase of (thousand) € 963 or 15.5%.

Similarly significant was also the pre Tax Profits of the Company in year 2007, amounting to the sum of € 17.487 in comparison to the € 13,656 of the previous year

2006, exhibiting an increase of € 3,831 or 28.05%.

Finally, the after Tax Profits in the year 2007 were shaped in the amount of € 12,741 in comparison to the € 9.640, increasing by € 3,101 or 32.17%.

The turnover of the Company derived from the sales of water supply and sewerage services as well as from the construction of works on behalf of third parties.

The increase of the turnover is due to the adjustment of the tariff in 2007 (see Chapter 2 hereto) as well as to the regular increase of the number of consumers in the already existing area of its activities.

In addition, by virtue of the 24/2007 decision of the BoD of the Company on 24/1/2007, the levy of deferred payment interest was approved, concerning customer's bills expired as well as the levy of annual interest rate equal to 10,75%, which led to an increase of the income from deferred payment interest of €630.000.

The increase of the Profits was due to the rationalization of expenses. The gross Profit of the Company in 2007 amounted to € 24,343 in comparison to the € 21.323 of the previous year. I.e., the increase of the Gross Profit reached the amount of € 3020 or 14.16%.

The pre tax profits, as well as the profits from Interest and Depreciations (EBITDA), of EYAΘ SA were shaped during the current year, in € 22.204 in comparison to the € 18,873, increasing by € 3,331 or 17.64%.

Finally the cash reserves and the opening equivalents of the fiscal year amounted in 2006 to € 13.152 in comparison to the 10.358, exhibiting an increase of € 2.794 or 26,97 %.

The results of 2007 in combination with the new pricing policy, the policy of expansion of its area of activities and the new investment program allow us to be optimistic as far as the future is concerned.

DIVIDEND POLICY

With the increase of the Profits of the Company granted, the Management of the Company suggests the distribution of dividend equal to 0.10€ per share. More specifically, it is suggested that the Dividend amounts to the sum of € 3.630 for the fiscal year 2007 in comparison to the amount of € 3.267 in the previous fiscal year 2006, for the whole of 36.300,000,00 unregistered shares.

Moreover, the distribution of 350.000 € from the profits to the workers of EYAΘ SA as well as to actions of the Company's Social Trust is suggested. The General Assembly will determine the way in which the distribution is to be performed.

Concluding the present report, we stress that we are at your disposal for any further information or explanation on the above mentioned issues.

In their Indexes that follow, the overall activity of the Company and its efficiency in each individual sector is represented.

Measurement of the efficiency and indexes.

Course Indexes

-Turnover:	6,16%
Output and efficiency Indexes	
- Margin of gross profit {Sales - Cost of items sold /Turnover (%)}	34.73%
- Margin of pre tax – interest – depreciations profit (EBITDA) {Pre tax - interest – depreciations Profits /Turnover (%)}	31.67%
Operation profits (EBIT) {Pre tax - interest – depreciations Profits /Turnover (%)}	24.01%
Net profit margin (EBT) {Pre tax - interest – depreciations Profits /Turnover (%)}	24.94%
Net profit margin after tax {Pre tax Profits /Turnover}	18.17%

These indexes show the profit margins in the sales.

Capital efficiency indexes

- Net profits pre tax/ owner's capital (ROE)	21.21%
- Net profits after tax/ owner's capital	15.45%
- Net profits pre tax/ Total Assets (ROE)	13.17%
- Net profits after tax/ Total Assets	9.60%

These indexes show the efficiency (%) on net profits of the total owner's capital

Liquidity Indexes

General liquidity

{Current Assets / Short-term liabilities}	2.00
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Actual liquidity

{Current Assets / Short-term liabilities}	1.95
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Immediate liquidity

{Reserves & cash Equivalents/ Short-term liabilities}	0.57
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These indexes show the financial independency of the Company.

- Capital Structure and Sustainability Indexes

Owner's capital / Total capital	62.21%
Owner's capital / Alien capital	164.01%
Owner's capital / Net fixed assets	95.75%

These indexes determine the long-term financial condition and sustainability of the Company.

- Investment Indexes

Profits per share after tax	0.35
Profits per share pre tax	0.50
Internal value of share (Book value, B/V)	2.28
Stock Exchange price of share */Book value of share (P.B.V.)	2.64

** As Stock Exchange price of share the Average Share price in December 2007 was taken*

Thessaloniki, March 26, 2008

ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Skordas I. Georgios
Chairman of the Board of Directors
& Managing Director

Professor Pavlos Smyris
1st Co-chairman of the BoD
of the BoD