

**WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.**  
**Interim Financial Statements**  
**For the fiscal period from 1<sup>st</sup> January 2007 to 30<sup>th</sup> June 2007**  
*(The amounts are expressed in thousand Euro)*

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ΕΤΑΙΡΙΑ ΥΔΡΕΥΣΕΩΣ & ΑΠΟΧΕΤΕΥΣΕΩΣ ΘΕΣΣΑΛΟΝΙΚΗΣ Α.Ε.



**Interim Financial Statements**  
**For the fiscal year from 1<sup>st</sup> January 2007 to 30<sup>th</sup> June 2007**  
**In compliance with the International Financial Information Standards**

It is certified that the attached Interim Financial Statements are the ones that were approved by the Board of Directors of the “**WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.**” on the 27<sup>th</sup> August 2007 and have been published in the press as well as posted in Internet on the site [www.eyath.gr](http://www.eyath.gr). It is also underlined that the published in the press concise financial information aim at providing the reader with specific general financial information but not the complete state of the financial condition and results of the Company, in compliance with the International Financial Information Standards. It is furthermore stressed that, for purposes of simplification, the in the press concise financial information some sums have been roundup and reorganized.

*Papadopoulos L. Dimitrios*  
*Chairman of the Board of Directors*

*Dr. Skordas I. Georgios*  
*Managing Director*

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**REVIEW REPORT OF INTERIM FINANCIAL INFORMATION**

To the Shareholders of “**WATER SUPPLY & SEWERAGE SYSTEMS CO. OF  
THESSALONIKI S.A.**”

**Introduction**

We have reviewed the accompanying balance sheet of “Water Supply & Sewerage Systems Co. of Thessaloniki S.A.” (“the Company”) as at 30 June 2007, the related statements of income, statements of changes in equity and cash flow statements for the six-month period then ended as well as a summary of explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial information («IAS 34»). Our responsibility is to express a conclusion on this interim condensed financial information, based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 «Review of Interim Financial Information Performed by the Company’s Independent Auditor», to which the Greek Auditing Standards refer. A review consists of making inquiries, mainly of persons responsible for accounting and financial matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Consequently, the present document is not an audit report.

**Conclusion on Review**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our conclusions on review, we draw attention to the fact that tax returns of the Company for the years 2001 up to 2006 as well as for the period 1/1/2007 up to 30/6/2007 have not been audited by the tax authorities, resulting in a possibility of additional taxes and penalties being assessed on such examination of these financial years. 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.

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**Thessaloniki, August 28, 2007**

**The Auditors**

**Andreas Dim. Tsamakis**  
**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 & Χέυδεν, 104 34 Αθήνα  
Α.Μ. ΣΟΕΛ 111

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	Note	1/1-30/6/2007	1/1-30/6/2006	1/4-30/6/2007	1/4-30/6/2006
<b>STATEMENT OF RESULTS OF FISCAL YEAR</b>					
Sales		33.289	31.854	17.654	17.351
Less: Sales cost		(22.218)	(22.672)	(11.583)	(11.828)
Gross profit		11.071	9.181	6.071	5.522
Other utilization income		1.537	499	1.147	350
		12.608	9.681	7.218	5.872
Administration expenses		(3.265)	(3.172)	(1.692)	(1.678)
Research and Development expenses		(416)	(303)	(212)	(234)
Disposal expenses		(1.834)	(1.521)	(904)	(784)
Other operation expenses		(995)	(319)	(493)	(208)
Operation results		6.098	4.366	3.918	2.968
Financing results (net)	3	3	(150)	28	(84)
Common works results		6.102	4.216	3.946	2.884
Investment results		0	0	0	0
Pre tax results		6.102	4.216	3.946	2.884
Income tax	4	(1.820)	(1.607)	(995)	(870)
<b>Results after tax</b>		<b><u>4.282</u></b>	<b><u>2.609</u></b>	<b><u>2.950</u></b>	<b><u>2.014</u></b>
<b>Profit per share (€ per share)</b>					
Basic	5	0,24	0,14	0,16	0,11

**WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.****Interim Financial Statements****For the fiscal period from 1<sup>st</sup> January 2007 to 30<sup>th</sup> June 2007***(The amounts are expressed in thousand Euro)***BALANCE SHEET****ASSETS****Fixed Assets**

	Σημείωση	30/6/2007	31/12/2006
Tangible assets	6	83.357	80.469
Intangible assets	7	176	172
Long-term claims	8	349	348
Postponed tax claims	4	272	703
<b>Total fixed assets</b>		<b><u>84.155</u></b>	<b><u>81.692</u></b>

**Current Assets**

Stocks	9	1.440	1.407
Customers & other claims	10	28.213	26.947
Cash on hand and money reserves	11	12.699	10.358
<b>Total current assets</b>		<b><u>42.352</u></b>	<b><u>38.712</u></b>

**TOTAL ASSETS****126.506****120.403****LIABILITIES****OWNER'S EQUITY**

Equity capital	12	20.328	20.328
Adjustment from the issuing of shares above par	12	2.830	2.830
Reserves	13	23.837	23.837
Profit (loss) carried forward		26.988	26.323
<b>Total owner's equity</b>		<b><u>73.983</u></b>	<b><u>73.318</u></b>

**LIABILITIES****Long-term Liabilities**

Loans	14	3.923	4.718
Employees' rights	15	7.262	7.174
Risk provisions	16	2.165	2.165
Future income from state subsidies	17	5.794	5.240
Postponed tax liabilities	4	0	0
Other long-term liabilities	18	9.049	8.676
<b>Total long-term liabilities</b>		<b><u>28.194</u></b>	<b><u>27.973</u></b>

**Short-term liabilities**

Suppliers & other liabilities	19	18.028	13.732
Loans	14	1.601	1.600
Short-term tax liabilities		4.700	3.779
<b>Total short-term liabilities</b>		<b><u>24.329</u></b>	<b><u>19.112</u></b>

**Total Liabilities****52.523****47.085****TOTAL OWNER'S EQUITY & LIABILITIES****126.506****120.403**

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**STATEMENT OF PROPER FUNDS CHANGE**

	Equity capital	Adjustment above par	Regular reserves	Tax legislation reserves	Balance carried forward	Total
<b>Balance on 31<sup>st</sup> December 2005 in compliance with the I.F.I.S.</b>	<b><u>18.150</u></b>	<b><u>2.830</u></b>	<b><u>3.441</u></b>	<b><u>19.914</u></b>	<b><u>22.498</u></b>	<b><u>66.833</u></b>
Profits of fiscal year 1/1-30/6/2006 after tax	0	0	0	(0)	2.609	<b>2.609</b>
Dividends distributed	0	0	0	0	(3.154)	<b>(3.154)</b>
<b>Balance on 30<sup>th</sup> June 2006 in compliance with the I.F.I.S.</b>	<b><u>18.150</u></b>	<b><u>2.830</u></b>	<b><u>3.441</u></b>	<b><u>19.914</u></b>	<b><u>21.953</u></b>	<b><u>66.288</u></b>
<b>Balance on 31<sup>st</sup> December 2006 in compliance with the I.F.I.S.</b>	<b><u>20.328</u></b>	<b><u>2.830</u></b>	<b><u>3.923</u></b>	<b><u>19.914</u></b>	<b><u>26.323</u></b>	<b><u>73.318</u></b>
Profits of fiscal year 1/1-30/6/2007 after tax	0	0	0	0	4.282	<b>4.282</b>
Dividends distributed	0	0	0	0	(3.617)	<b>(3.617)</b>
<b>Balance on 30<sup>th</sup> June 2007 in compliance with the I.F.I.S.</b>	<b><u>20.328</u></b>	<b><u>2.830</u></b>	<b><u>3.923</u></b>	<b><u>19.914</u></b>	<b><u>26.988</u></b>	<b><u>73.983</u></b>

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**STATEMENT OF CASH FLOWS**

	Note	1/1-30/6/2007	1/1-30/6/2006
<b><u>Cash flows from operational activities:</u></b>			
Profit pre tax		6.102	4.216
<b>Plus (less) adjustments for:</b>			
Depreciations	6-7	2.614	2.324
Provisions		88	(414)
Results (income, expenses, profit and loss) of investments		3	2
Depreciations of subsidies for investment in assets	17	(82)	(28)
Debit interest and relevant expenses	3	(3)	150
		<u>8.721</u>	<u>6.250</u>
Plus/ less adjustments for changes of working capital accounts or relevant to operational activities:			
Decrease / (increase) of reserves	9	(33)	(9)
Decrease / (increase) of claims	10	(1.266)	(2.639)
(Decrease) / increase of liabilities (less banks)		474	1.194
(Less):			
Debit interest and relevant expenses paid	3	(149)	(195)
Taxes paid	4	(468)	(914)
<b>Total inflows / (outflows) from operational activities (a)</b>		<b><u>7.278</u></b>	<b><u>3.688</u></b>
<b><u>Cash flows from investments:</u></b>			
Purchase of tangible and incorporeal fixed assets	6-7	(4.920)	(4.997)
Cashing from sales of tangible and incorporeal fixed assets	6-7	(0)	0
Interest received	3	153	45
<b>Total inflows / (outflows) from investments (b)</b>		<b><u>(4.767)</u></b>	<b><u>(4.952)</u></b>
<b><u>Cash flows from financing activities :</u></b>			
Cashing from subsidies	17	636	1.038
Repayment of loans	14	(794)	(772)
Dividends paid		(12)	(18)
<b>Total inflows / (outflows) from financing activities (c)</b>		<b><u>(169)</u></b>	<b><u>248</u></b>
<b>Net increase / (decrease) of the cash reserves and equivalents of period (a) + (b) + (c)</b>		<b><u>2.341</u></b>	<b><u>(1.017)</u></b>
<b>Cash reserves and equivalents at the beginning of the period</b>		<b>10.358</b>	<b>7.533</b>
<b>Cash reserves and equivalents at the closing of the period</b>		<b><u>12.699</u></b>	<b><u>6.516</u></b>



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**Description of the Company**

The “**WATER SUPPLY & SEWERAGE SYSTEMS CO. OF THESSALONIKI S.A.**” under the discreet title E.Y.A.Θ. S.A. (or the “Company”) provides water supply and sewerage services.

The seat of the Company is at 127 Egnatia str., in Thessaloniki (P.C. 54 635).

The shares of the Company are negotiated in the blue chip market of the Athens Stock Exchange.

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**1. The basis for the Drawing up of the Financial Statements**

**1.1 General Information**

The interim financial statements of the period 01/01-30/06/2007 have been drawn up in compliance with the International Financial Information Standards (IFIS) issued by the International Accounting Standards Council and the Interpretations issued by the Standing Interpretation Committee and valid on 30<sup>th</sup> June 2007. In addition, the above mentioned interim financial statements comply with the provisions of the IAS 34 “Interim Financial Statements” and there are no Standards applied before their initial implementation date.

The interim financial statements of the period 01/01-30/06/2007 have been drawn up on the basis of the historical cost principle, with the exception of some categories of tangible assets, which were assessed in plausible prices on the date of their transfer, 01/01/2004, in the International Financial Information Standards and which have been ever since used as estimated historical cost. In addition, these financial statements have been drawn up on the basis of the principle of continuation of operations of the Company.

**1.2 Chartered Financial Statements**

The Company keeps its books in compliance with the Greek Commercial Law (C.L. 2190/1920) and the valid tax law. Since 1<sup>st</sup> January 2005, the company is obliged – by virtue of the provisions of the valid laws – to draw up its chartered financial statements in compliance with the International Financial Information Standards adopted by the European Union. Thus, the above mentioned annual financial statements are based on those drawn up by the Company according to the valid tax law, on which all the appropriate non accounting records have been entered, in order the former to be in compliance with the International Financial Information Standards.

**1.3 Approval of the Annual Financial Statements**

The interim financial statements of the period 01/01-30/06/2007 were approved for publishing by the Board of Directors of the Company on 27 August 2007.

**1.4 Re-assortment of sums**

Some of the sums of the previous period have been re-assorted in order to be rendered similar and comparative to those of the current period. The relevant amounts of these re-assortments are not significant enough so as their acknowledgment to be necessary.

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**2. Financial Standards Followed – New Standards and Interpretations**

**2.1 Financial Standards Followed**

The interim financial statements of the period 01/01-30/06/2007 have been drawn up in compliance with the same accounting standards, methods and admissions adopted by the Management for the drawing up of the annual financial statements of the fiscal year that ended on the 31<sup>st</sup> December 2006.

**2.2 New Standards, Interpretations and amendment of the existing Standards**

New International Financial Information Standards, amendments and interpretations have been published, which are compulsory for the fiscal years beginning on the 1<sup>st</sup> January 2007 and after. The management of the Company estimates that the affect from the implementation of these new standards and interpretations will be as follows:

**IFIS 7, Financial means: Notifications and complementary adaptation to IAS 1, Presentation of the Financial Statements – Capital notification (implemented in annual fiscal years beginning on or after the 1<sup>st</sup> January 2007)**

IFIS 7 demands further notifications concerning the financial means aiming at the improvement of the information provided; more specifically it requires the notification of both qualitative and quantitative information concerning the risk due to financial means. In particular, it predetermines the minimum notifications required relevant to the credit risk, the liquidity risk and the market risk (it imposes the sensitivity analysis concerning the market risk). IFIS 7 replaces IAS 30 (Notifications in the Bank and Credit Institutes Financial Statements) and the notification requirements of IAS 32, (Financial means: Notifications and Presentation). It can be applied to many companies that draw up financial statements in compliance with the IFIS. The relevant adaptation of IAS 1 refers to notifications concerning the height of the capital of a company as well as the way their management is held.

**IFIS 8, Functional Sectors (it is applied in annual fiscal years beginning on or after the 1<sup>st</sup> January 2009)**

IFIS 8 replaces IAS 14 Financial Information per sector and adopts a management approach concerning the financial information provided per sector. The information provided will be those used internally by the management in order to evaluate the efficiency of the functional sectors and the allocation of resources to these sectors. This information can differ from that presented in the balance sheet and the results statement, while the companies should annotate and agree on these differences. IFIS 8 has not yet been adopted by the EU.

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**Interpretation 7, Implementation of the IAS 29 reformation approach – Financial statements in over-inflationary economies (it is applied in annual fiscal years beginning on or after the 1<sup>st</sup> March 2006)**

Interpretation 7 requires that, if during a fiscal year a company establishes the existence of over-inflation in the economy of the currency it operates with, without any such over-inflation to have been evident during the previous fiscal year, to implement the requirements of IAS 29 as if the economy had always been under over-inflation conditions. Interpretation 7 has not been applied to the Company.

**Interpretation 8, Field of application IFIS 2 (it is applied in annual fiscal years beginning on or after the 1<sup>st</sup> May 2006)**

Interpretation 8 clarifies that IFIS 2, concerning allowances depending on the value of the shares, is applied in the case of transactions in which a company grants participial titles or undertakes the liability to transfer cash or other assets (based on the price of its shares), when the determinable exchange received seems to be lower than the plausible value of the participial titles granted or the liabilities undertaken. Interpretation 8 has not been applied to the Company.

**Interpretation 9, Re-estimation of the tangible outgrowths (it is applied in annual fiscal years beginning on or after the 1<sup>st</sup> June 2006)**

Interpretation 9 requires that a company estimate the extent to which a contract entails a tangible outgrowth at the moment of its signing; in which case it prohibits any posterior re-estimation, unless there is a change in the terms and conditions of the contract that substantially alter the cash flows. Interpretation 9 has not been applied to the Company.

**Interpretation 10, Interim Financial Information and Depreciation (it is applied in annual fiscal years beginning on the 1<sup>st</sup> November 2006)**

Interpretation 10 can affect the financial statements in case a depreciation loss is acknowledged during an interim period concerning any surplus value or investment in participial titles offered for sale or unlisted participial titles kept at cost, since such depreciation can not be cross entered in any posterior interim or annual financial statements. Interpretation 10 has not yet been adopted by the EU.

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**Interpretation 11, IFIS 2 Transaction in shares of the Group and Owner's Shares (it is applied in annual fiscal years beginning on the 1<sup>st</sup> March 2007)**

This Interpretation requires all the transactions, which grant to an employee the right to participial titles, for accounting purposes are considered as wages determined by the value of the share and are arranged by means of participial titles, even in the case when the company chooses either to be liable to buy these participial titles from third parties or the shareholders of the company provide these titles that are to be granted. This Interpretation also extends to the way in which the subsidiaries, in their standard financial statements, manage the programs according to which their employees receive rights to participial titles of the mother company. Interpretation 11 has not been applied to the Company, neither adopted by the EU.

**Interpretation 12, Service Concession Arrangements (it is applied in annual fiscal years beginning on or after the 1<sup>st</sup> January 2008)**

Interpretation 12 treats the way in which the organizations that provide services should apply the existent International Financial Information Standards (IFIS) in order to record their obligations and rights deriving from the relevant granting contracts. On the basis of this Interpretation, these organizations should not enter the relevant substructure as tangible fixed assets, but rather to acknowledge a financial entry of the assets or an intangible asset. Interpretation 12 has not been applied to the Company, neither adopted by the EU.

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**3. Financing cost (net)**

The financial cost (expenses) is analyzed as follows:

	On 30/6/2007	On 30/6/2006
Debit interest of bank liabilities	146	194
Other Financial expenses	3	0
<b>Total Financial Expenses</b>	<b>149</b>	<b>195</b>
 Credit interest and relevant income	 153	 45
Other Financial income	0	0
<b>Total Financial income</b>	<b>153</b>	<b>45</b>
 <b>Net financial income (expenses)</b>	 <b><u>3</u></b>	 <b><u>(150)</u></b>

**4. Income taxes**

The taxation of the results was determined as follows:

	On 30/6/2007	On 30/6/2006
Income tax for the period	1.389	1.060
Taxes from previous fiscal years	0	0
Postponed tax	431	546
<b>Total taxes in the Statement of Income of the Fiscal year</b>	<b><u>1.820</u></b>	<b><u>1.607</u></b>
	On 30/6/2007	On 30/6/2006
Profit pre tax	6.102	4.216
 Tax estimated according to the tax factor of the Company (2007: 25 %, 2006: 29 %)	 1.525	 1.223
Expenses non rebated fro the income tax	294	384
 Taxes imputed and concern previous fiscal years	 0	 0
Income tax free	0	0
<b>Total taxes in the Statement of Income of the Fiscal year</b>	<b><u>1.820</u></b>	<b><u>1.607</u></b>

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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 30/6/2007	On 31/12/2006
Postponed tax claims	3.647	4.115
Postponed tax liabilities	(3.374)	(3.412)
<b>Total of postponed taxes in the balance sheet</b>	<u><b>272</b></u>	<u><b>703</b></u>

	On 30/6/2007	On 31/12/2006
Opening balance	703	1.322
Gain tax	(431)	(619)
Owner's Equity tax	0	0
<b>Final balance</b>	<u><b>272</b></u>	<u><b>703</b></u>

	On 31/12/2006	Charges (Credits) of Gains	Charges (Credits) of Owner's equity capitals	On 30/6/2007
<b>Postponed tax liabilities</b>				
Financial depreciations of assets	(3.412)	38	0	(3.374)
	<u><b>(3.412)</b></u>	<u><b>38</b></u>	<u><b>0</b></u>	<u><b>(3.374)</b></u>
<b>Postponed tax claims</b>				
<b>Cross-entry of assets readjustment</b>	550	0	0	550
Adjustments of assets value	741	(116)	0	625
De-acknowledgement of expenses of long depreciation	440	(72)	0	367
Adjustment of assets subsidies	0	(32)	0	(32)
Adjustments of accounts receivable value	130	41	0	172
Adjustments of stock estimation	174	(24)	0	150
Provision of staff compensation due to retirements form the company	2.080	(265)	0	1.816
	<u><b>4.115</b></u>	<u><b>(469)</b></u>	<u><b>0</b></u>	<u><b>3.647</b></u>
<b>Net postponed tax claims in the balance sheet</b>	<u><b>703</b></u>	<u><b>(431)</b></u>	<u><b>0</b></u>	<u><b>272</b></u>

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**5. Profit per share**

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

	<b>On 30/6/2007</b>	<b>On 30/6/2006</b>
Net profits distributed to the common shareholders of the Company	4.282	2.609
Weighted average number of shares in circulation	18.150.000	18.150.000
<b>Less:</b> Weighted average number of proper shares	<u>0</u>	<u>0</u>
Total weighted average number of shares in circulation	18.150.000	18.150.000
 <b>Basic profits (loss) per share (in €)</b>	 <b>0,24</b>	 <b>0,14</b>

**6. Tangible Assets**

The tangible assets of the Company are analyzed as follows:

	<b>Fields &amp; lots</b>	<b>Buildings &amp; facilities</b>	<b>Machinery &amp; mechanical installations</b>	<b>Transport means</b>	<b>Furniture &amp; other equipment</b>	<b>Assets under construction or installation</b>	<b>Total</b>
<b><u>Acquisition or rating value</u></b>							
On 31/12/2006	18.896	5.826	59.850	1.102	1.414	2.920	90.008
Charges of fiscal year 1/1/07-30/6/07	0	0	2.729	0	33	5.114	7.876
Credits of fiscal year 1/1/07-30/6/07	0	0	10	0	2	2.399	2.411
Total on 30/6/2007	<b>18.896</b>	<b>5.826</b>	<b>62.569</b>	<b>1.102</b>	<b>1.445</b>	<b>5.635</b>	<b>95.473</b>
<b><u>Accumulated depreciations</u></b>							
On 31/12/2006	0	437	8.016	412	675	0	9.539
Charges of fiscal year 1/1/07-30/6/07	0	72	2.367	68	78	0	2.585
Credits of fiscal year 1/1/07-30/6/07	0	0	8	0	2	0	9
Total on 30/6/2007	<b>0</b>	<b>509</b>	<b>10.375</b>	<b>480</b>	<b>752</b>	<b>0</b>	<b>12.115</b>
<b><u>Non Depreciated value</u></b>							
On 31/12/2006	<b>18.896</b>	<b>5.389</b>	<b>51.835</b>	<b>690</b>	<b>738</b>	<b>2.920</b>	<b>80.469</b>
On 30/6/2007	<b>18.896</b>	<b>5.317</b>	<b>52.194</b>	<b>622</b>	<b>693</b>	<b>5.635</b>	<b>83.357</b>

The depreciations of the current fiscal year increased the cost of sales at € 2.185 (2006: € 1.786), the expenses of administrative operation at € 344 (2006: € 440), the expenses of research and development at € 0 (2006: € 0) and the expenses of operation of disposal at € 56 (2006: € 67).

On the assets of the Company there are no encumbrances.

**7. Intangible assets**



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The intangible assets of the Company are analyzed as follows:

	Software	Assets under construction or installation	Total
<b><u>Acquisition or rating value</u></b>			
On 31/12/2006	376	0	376
Charges of fiscal year 1/1/07-30/6/07	33	0	33
Credits of fiscal year 1/1/07-30/6/07	0	0	0
Total on 30/6/2007	<b>409</b>	<b>0</b>	<b>409</b>
<b><u>Accumulated depreciations</u></b>			
Κατά την 31/12/2006	204	0	204
Charges of fiscal year 1/1/07-30/6/07	29	0	29
Credits of fiscal year 1/1/07-30/6/07	0	0	0
Total on 30/6/2007	<b>233</b>	<b>0</b>	<b>233</b>
<b><u>Non Depreciated value</u></b>			
On 31/12/2006	172	0	172
On 30/6/2007	176	0	176

The depreciation of the current fiscal year have increased to € 28 (2006: € 31) the income from administrative operation.

#### **8. Long-term Claims**

The long-term claims on the 30<sup>th</sup> June 2007, represent given guarantees of € 349.

#### **9. Stock**

The stock of the Company is analyzed as follows:

	On 30/6/2007	On 31/12/2006
A' and B' materials -Consumables-Package materials	1.440	1.407
	<b><u>1.440</u></b>	<b><u>1.407</u></b>

#### **10. Customers and other claims**

The total claims of the Company are analyzed as follows:

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	<b>On 30/6/2007</b>	<b>On 31/12/2006</b>
Customers	18.716	14.574
Precarious – Sub-justice Customers and Debtors	4.242	4.242
Several debtors	4.219	6.777
Prepayments and credits accounts	160	136
Future fiscal years income	0	132
Fiscal years income receivable	5.050	5.260
Other transitory accounts of Assets	0	0
	<u>32.387</u>	<u>31.122</u>
<b>Less : Provisions</b>	<b>(4.175)</b>	<b>(4.175)</b>
<b>Balance</b>	<b><u>28.213</u></b>	<b><u>26.947</u></b>

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 30/06/2007 amounting to € 4.219, refers to an income tax advancement amounting to € 2.209, special subsidy claims from services provided to the Ministry of Environment, Urban Planning and Public Works amounting to € 452, a payroll and vacation allowances advancement amounting to € 933 as well as claims from other debtors amounting to € 625.

In addition, it is also noted that the remainder of the account “Fiscal years income receivable” on 30/06/2007 amounting to € 5.050, refers to the worked and ought to be paid income of EYAO S.A. during the period 01/01/2007-30/06/2007 (where they were entered) and which are to be quoted in a future period, amounting to € 3.980, income from services provided to the Municipality of Michaniona, Thermaikos and Oreokastro, which had not been quoted until 30/06/2007, amounting to € 313, a provision of the claims of special subsidies for service provided to the Ministry of Environment, Urban Planning and Public Works – within the current period – amounting to € 680 as well as other income receivable amounting to € 77.

**11. Cash and cash at hand**

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

**12. Equity Capital and Capital above par**

The equity capital of the Company consists of 18.150.000 common registered shares of nominal value € 1.12 each. The shares of the Company are registered in the category of

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Medium and Small Capitalisation at the Athens Stock Exchange.

In the fiscal year 2006, according to the decision of the Extraordinary General Assembly of the shareholders of the Company held on 29 December 2006, there was an increase of the equity capital to the amount of € 2.178.000,00 by capitalisation of the corresponding sum from the account of proper funds "Remainder carried forward", which concerned the adjustment of the surplus value that had resulted from the tax readjustment of the assets of the Company, according to the provisions of Law 2065/1992. The relevant increase of the equity capital was performed along with a simultaneous increase of the nominal value of each share from € 1.00 to € 1.12 and was approved with the no. K2-641/12-01-2007 decree of the Ministry of Development.

According to the Register of the Shareholders of the Company, on 30/06/2007, 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 31/12/2006
Greek State	13.434.000	74,02%
Other shareholders with a participation rate less than 2.0 %	4.716.000	25,98%
<b>TOTAL</b>	<b><u>18.150.000</u></b>	<b><u>100,00%</u></b>

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.

### **13. Reserves**

The reserves of the Company are analyzed as follows:

	On 30/6/2007	On 31/12/2006
Regular reserves	3.923	3.923
Tax free reserved of special provisions	3.329	3.329
Reserves for proper shares	1	1
Other reserves	16.584	16.584
<b>Balance</b>	<b><u>23.837</u></b>	<b><u>23.837</u></b>

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,

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after taxes, profits – is compulsory until the height of the reserves reaches the 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.

**14. Δάνεια**

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 Euros. 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.

There are no guarantees and bindings of property or use on the fixed assets and any other assets of the Company.

**15. Rights of the Employees**

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 (5%) 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:

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	On 30/6/2007	On 30/6/2006
<b><u>Persons:</u></b>		
Permanently employed	535	515
<b>Total</b>	<b><u>535</u></b>	<b><u>515</u></b>
<b><u>Employees' Cost Analysis:</u></b>		
Payroll costs	10.041	9.651
Employer's contributions	1.906	1.832
Adjunctive allowances and personnel expenses	115	86
Provision for compensation of the staff due to redundancy	88	153
<b>Total Cost</b>	<b><u>12.150</u></b>	<b><u>11.722</u></b>

**16. Risk and expenses provisions**

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.

**17. Future income from state subsidies**

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 € 82 (2006: € 28).

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.

**18. Other long-term liabilities**

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

**19. Suppliers and other liabilities**

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

	<b>On 30/6/2007</b>	<b>On 31/12/2006</b>
Suppliers	3.483	2.697
Checks payable	1.242	2.722
Insurance Organizations	528	839
Dividends payable	3.672	67
Several creditors	6.798	6.317
Expenses of fiscal year worked	2.003	1.084
Other transitory accounts of Liabilities	303	7
<b>Balance</b>	<b><u>18.028</u></b>	<b><u>13.732</u></b>

The balance of the account "Several creditors" on 30/6/2007 amounting to € 6.798, concerns liabilities to the company ΕΥΑΘ ΠΑΓΙΩΝ for the purchase of water and the coverage of several operation needs amounting to € 6.536 as well as liabilities to other creditors amounting to € 262.

## **20. 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 1/1/2007-30/06/2007 and on 30<sup>th</sup> June 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	346
f) Claims from the managers and members of the BoD	15
g) Liabilities to the managers and members of the BoD	5

## **21. Bindings and Eventual Liabilities**

### **21.1 Eventual liabilities from sub judice or under arbitration disputes**

On 30/06/2007 there are actions, extrajudicial invitations and generally future claims against the Company of total sum of € 3.157. The legal department of the Company estimates that

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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".

**21.2 Other eventual liabilities**

The Company on 30/06/2007 had granted letter of guarantee for the proper implementation of conventions of the work contracts of a total sum of € 256 (2006: € 246).

The company has been audited until the fiscal year of 2000. Because of an inability to estimate the sums of the taxes that may result in a future auditing of the un-audited fiscal years from 2001 to 2006 by the competent tax authorities, they are to be entered in accounts within the fiscal year at which the relevant sums will be rendered final.

The Company acknowledges its tax liabilities that result after tax auditing of the un-audited tax fiscal years by the competent tax authority after the termination of the audit and the finalisation of the relevant sums of taxes.

**22. Number of the personnel employed**

The number of the personnel employed at the Company at the end of the current fiscal year was 535 individuals, while at the end of the previous fiscal year 515 individuals.

**23. Facts after the Balance-sheet**

There are no facts that took place after the balance-sheet of 30 June 2007 that would concern the Company which are compulsory to be reported according to the International Financial Information.