HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.

357-359 MESOGEION AVE., CHALANDRI

General Register of Commerce No: 7483601000
S.A. REG. NUMBER: 62880/01AT/B/07/317(08)

Financial Statements for the Fiscal Year ended 31 December 2014

in accordance with the International Financial Reporting Standards (IFRS)

CONTENTS

The accompanying notes are an integral part of these financial statements.

Independent Certified Accountant – Auditor's Report

To the Shareholders of the Company "HELLENIC GAS TRANSMISSION SYSTEM OPERATOR SOCIÉTÉ ANONYME"

Report on the Financial Statements

We have audited the accompanying financial statements of the Company "HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.", which comprise the statement of financial position as of 31 December 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company "HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A." as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

We draw your attention to note 3.4 to the financial statements, where reference is made to the matter of the audit of impairment on the value of the company's assets based on their value in use, since there was no indication that these were impaired. It was ascertained that no matter of impairment exists. Our opinion is not qualified in respect of this matter.

Reference to Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 43a and 37 of c.L. 2190/1920.

Athens, 05/02/2015

GEORGIOS AN. BATSOULIS
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14401
HELLENIC AUDITING COMPANY SA

(Amounts in Euro thousand)

STATEMENT OF COMPREHENSIVE INCOME	Note	1/1-31/12/2014	1/1-31/12/2013
Sales		189.278	194.122
Less: Cost of Sales		(158.273)	(117.749)
Gross Profit		31.005	76.373
Other operating income	4	5.366	13.384
		36.371	89.757
Administrative expenses	5	(13.339)	(14.636)
Distribution expenses	6	(333)	(363)
Other operating expenses	7	(2.582)	(30.577)
Amortisation of fixed asset grants	22	12.768	12.187
Operating results		32.885	56.368
Financing cost	8	(5.486)	(2.679)
Foreign exchange differences	8	24	(70)
Results before taxes		27.424	53.619
Income tax	9	(4.402)	(16.390)
Deferred Tax		(3.186)	(4.753)
Results after taxes		**19.836**	**32.476**
Net profit for the period		**19.836**	**32.476**
Other comprehensive income		**0**	**193**
		(1.670)	**0**
Deferred Tax		**434**	**0**
Other comprehensive income of the period after taxes		(1.236)	**0**
Total comprehensive income of the period after taxes		**18.600**	**32.669**
Earnings per share (€ per share)			
Basic	10	**2,7327**	**4,4742**

The Chairman of the Board of Directors

Antonios A. Natsikas

The Managing Director

Konstantinos D. Xifaras

Division Director of Finance

Evangelos S. Karletsos

Head of Department of General Analytics, Accounting & Cost Accounting

Apostolos Thanos

(Amounts in Euro thousand)

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31/12/2014	31/12/2013
Fixed assets			
Tangible assets	11	1.289.099	1.269.344
Intangible assets	12	16.754	15.947
Investments in associates	13	355	355
Long-term receivables	14	261	262
Total Fixed Assets		***1.306.469***	***1.285.907***
Current assets			
Inventories	15	23.797	35.098
Trade and other receivables	16	77.301	140.084
Cash and cash equivalents	17	64.268	54.505
Total current assets		***165.366***	***229.687***
TOTAL ASSETS		**1.471.835**	**1.515.594**
LIABILITIES			
EQUITY			
Share capital	18	639.051	639.051
Reserves	19	18.161	17.146
Profit (Loss) carried forward		158.917	152.075
Total Equity		***816.129***	***808.272***
OBLIGATIONS			
Long-term liabilities			
Borrowings	20	242.259	234.956
Employee rights	21	11.509	9.586
State grants	22	270.480	270.692
Other provisions	28	38.529	37.900
Other long-term liabilities	29	145	145
Deferred tax liabilities	9	2.756	5
Total long-term liabilities		***565.679***	***553.284***
Short-term liabilities			
Suppliers and other liabilities	23	51.919	109.554
Borrowings	20	32.697	32.697
Short-term tax liabilities	24	5.411	11.787
Total short-term liabilities		***90.027***	***154.038***
Total liabilities		**655.706**	**707.322**
TOTAL EQUITY & LIABILITIES		**1.471.835**	**1.515.594**

(Amounts in Euro thousand)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserves	Other reserves	Balance carried forward	Total
Balance as of 1 January 2013	**639.051**	**14.798**	**449**	**150.921**	**805.219**
Effect of application of IAS 19 up to 2013		**0**		193	**193**
Reserve formed		**1.900**		(1.900)	**0**
Dividends payable				(29.615)	(29.615)
Profit for the year 1/1-31/12/2013 after taxes				32.476	32.476
Balance as of 31 December 2013	**639.051**	**16.698**	**449**	**152.075**	**808.272**
Balance as of 1 January 2014	**639.051**	**16.698**	**449**	**152.075**	**808.272**
Effect of application of IAS 19 up to 2014				(1.236)	**(1.236)**
Reserve formed		1.015		(1.015)	**0**
Dividends payable				(10.743)	**(10.743)**
Profit for the year 1/1-31/12/2014 after taxes				19.836	19.836
Balance as of 31 December 2014	**639.051**	**17.713**	**449**	**158.917**	**816.129**

The accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

	01.01.2014 - 31.12.2014	01.01.2013 - 31.12.2013
Cash flows from operating activities:		
Profits before taxes	25.753	53.619
Plus (less) adjustments for:		
Depreciation	54.666	50.310
Estimates	2.553	20.706
Foreign exchange differences	(24)	70
Amortization of grants for investments in fixed assets	(12.768)	(12.187)
Other operating income	0	(4.015)
Losses from sale of fixed assets	0	1
Investment income	(4.670)	(9.402)
Interest and related expenses	10.156	12.081
	75.666	111.183
Plus/ less adjustments for changes in working capital account or relating to operating activities:		
Decrease/(increase) in inventories	11.301	9.246
Decrease / (increase) in receivables	71.182	(1.621)
(Decrease)/Increase of liabilities (except banks)	(19.585)	(28.233)
(Less):		
Interest and related expenses paid	(10.682)	(12.337)
Taxes Paid	(19.178)	(28.848)
Total inflows/ (outflows) from operating activities (a)	**108.704**	**49.389**
Cash flows from investment activities:		
Increase in long-term receivables	1	4
Purchase of PPE and intangible assets	(75.228)	(77.603)
Proceeds from grants for investments in fixed assets	12.556	22.885
Proceeds from sales of tangible and intangible assets	0	3.951
Interest received and proceeds from securities	4.670	9.402
Total cash inflow / (outflow) from investing activities (b)	**(58.001)**	**(41.361)**
Cash flows from financing activities:		
Proceeds/repayments of loans issued/taken out	7.303	(21.008)
Dividents paid	(48.243)	(29.615)
Total inflows / (outflows) from financing activities (c)	**(40.940)**	**(50.624)**
Net increase (decrease) in cash & cash equivalents for the period (a) + (b) + (c)	**9.763**	**(42.595)**
Cash & cash equivalents at period start	**54.505**	**97.100**
Cash & cash equivalents at period end	**64.268**	**54.505**

The accompanying notes are an integral part of these financial statements.

Explanatory Notes on the Financial Statements

1. Establishment and activities

1.1. General information

The company's financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the International Accounting Standards Board. They are included in the consolidated financial statements of parent company PUBLIC GAS CORPORATION S.A. (DEPA S.A.), using the full consolidation method.

The Company was established in Athens in 2007 and has its registered office at 357-359 Mesogeion Avenue, in the Municipality of Chalandri, Prefecture of Attica, Greece. It was the result of the spin-off of the gas branch of company "DEPA S.A." on 30/6/2006, when the company drafted its Pre-spinoff Balance Sheet, in accordance with the provisions of Laws 2166/1993 and 3428/2005. The term of the company was set at ninety nine (99) years from the date of registration thereof in the Registry of Sociétés Anonymes and may be extended by virtue of a resolution of the General Meeting of Shareholders.

1.2. Scope of activity

The company engages in the operation, maintenance, management, exploitation and development of the National Gas System (ESFA), as defined by Article 6 of Law 3428/2005, including its connections, so that the ESFA is cost-effective, technically perfect and complete, as well as capable of meeting the needs of users for gas in a safe, adequate, and cost-effective way, as defined in Article 2(31) of Law 3428/2005.

2. Framework for the drafting of financial statements

2.1. General

The financial statements for the fiscal year 1/1-31/12/2014 have been drafted in accordance with the principles of historical cost and going concern and are in compliance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Committee (IASC) and adopted by the European Union, and their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASC.

2.2. First-time adoption of IFRSs

Pursuant to a resolution passed by the Ordinary General Meeting of Shareholders of the parent company DEPA S.A. on 29/6/2007, DEPA S.A. should draft its financial statements in accordance with the IFRSs adopted by the EU for fiscal years beginning on or after 1 January 2007. According to the provisions of Article 134 of Codified Law 2190/1920, the relevant obligation applies to all existing subsidiaries of DEPA S.A. Consequently, the company has applied the provisions of IFRS 1 "First-time adoption of International Financial Reporting Standards", the transition date being 30 June 2006, when the Pre-spinoff Balance Sheet was drafted, which was used as a basis for the spinoff of the gas transmission branch of DEPA S.A. The first company financial statements drafted in accordance with the IAS and IFRS principles and rules are the ones for the fiscal year that ended on 31 December 2007.

2.3. Statutory financial statements

Under applicable law, the company is required to draft its statutory Financial Statements in accordance with the IFRSs, as adopted by the European Union.

2.4. Presentation of financial statements

The financial statements are expressed in Euro, which is the company's functional currency.

All amounts are presented in Euro thousand, unless stated otherwise.

2.5. Using important accounting judgments, estimates and assumptions

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires that the Management takes decisions and makes estimates and assumptions affecting the application of accounting policies, as well as the amounts included in the Assets and Liabilities, and Income and Expenditure accounts. They also have an effect on the disclosures of possible receivables and payables at the financial statement preparation date. The actual results may be different from such estimates.

Estimates and relevant assumptions are on the basis of past experience and other factors, and are subject to continuous updating. Such updates are recognised in the period when they were made and in subsequent periods.

The key judgments, estimates and assumptions used by the company's Management pertain to the following:

- ✓ Determining the useful life and residual value of fixed assets.
- ✓ Classifying financial assets under different categories.
- ✓ Assessing the liquidation of receivables and determining the provision for doubtful receivables.
- ✓ Assessing the devaluation of inventories and determining the provision for devaluation.
- ✓ Classifying lease agreements with third parties as finance and operating lease agreements.
- ✓ Determining staff retirement benefits.
- ✓ Determining the fair value of derivatives and other financial instruments.
- ✓ Determining the impact of contingencies.

The areas where judgments and accounting estimates were used, having an effect on the amounts included in the financial statements and disclosures, as referred to in the respective notes, are: inventories, employee rights, as well as commitments and contingent liabilities.

2.6. New standards, interpretations of and amendments to existing standards

New standards, amendments of standards and interpretations have been issued, which are mandatory for annual accounting periods beginning on or after 1 January 2014. The effect of these new standards, amendments to standards and interpretations is presented below.

Standards and Interpretations effective for the current financial year

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

Group of standards on consolidation and joint arrangements

The International Accounting Standards Board ("IASB") has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). The main provisions are as follows.

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "*Consolidated and Separate Financial Statements"*. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "*Investments in Associates"* and IAS 31 "*Interests in Joint Ventures"* regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "*Investments in Associates and Joint Ventures"* replaces IAS 28 "*Investments in Associates"*. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not yet been endorsed by the EU.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements. The standard has not yet been endorsed by the EU.

IFRIC 21 "Levies" (effective for annual periods beginning on or after 17 June 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. This amendment has not yet been endorsed by the EU.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

IAS 16 and IAS 41 (Amendments) "Agriculture: Bearer plants" (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments have not yet been endorsed by the EU.

IAS 27 (Amendment) "Separate financial statements" (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

IFRS 10 and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

IAS 1 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments have not yet been endorsed by the EU.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception" (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 February 2015)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 January 2015)

The amendments set out below describe the key changes to three IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project.

IFRS 3 "Business combinations"

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 "Fair value measurement"

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 "Investment property"

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

IFRS 5 "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

3. Accounting Principles Used

The accounting principles and estimates used as a basis for the preparation of the annual financial statements of 31 December 2014 are the same as those used for the preparation of the annual financial statements of fiscal year 2013. The key accounting principles adopted in preparing the attached financial statements are as follows:

3.1. Functional and Presentation Currency, and Foreign Exchange Conversion

The company keeps its accounting books in Euro. Transactions that are carried out in a foreign currency are converted to Euro using the official exchange rate that applies on the day each transaction is carried out. On the financial statement preparation date, the assets and liabilities amounts expressed in other currencies are converted to Euro so as to reflect current exchange rates. The profit and loss arising from foreign currency transactions and the end-of-period measurement of foreign currency amounts are recorded in the statement of comprehensive income.

3.2. Tangible fixed assets

Tangible assets are presented in the financial statements at acquisition value. These values are reduced by: (a) accumulated depreciation, and (b) any impairment loss.

The initial fixed asset acquisition cost includes the purchase price, including import duties and non-refundable purchase taxes and compensation for land expropriation, as well as all necessary expenses to prepare the fixed assets for their intended use.

Subsequent expenditures incurred in connection with tangible assets are capitalised when the future economic benefits expected to flow from the use of the affected assets increase. All other expenditures relating to the repair, maintenance, etc. of fixed assets are recorded in the expenses of the fiscal year when they were incurred.

Upon withdrawal or sale of fixed assets, the relevant cost and accumulated depreciation is deleted from the corresponding accounts in the withdrawal or sale period, and the relevant profits or losses are recognised in profit or loss.

Depreciation is charged to the Statement of comprehensive income using the straight line method over the useful lives of fixed assets. Land is not depreciated. The estimated useful life per category of fixed asset is:

(Amounts in Euro thousand)

Buildings and installations	1-20	years
Plant, machinery and equipment	7-40	years
Transportation equipment	5-7	years
Furniture and fixtures	3-7	years

The residual values and useful lives of tangible fixed assets are revised and adjusted at any balance sheet date. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is recorded as an expenditure in profit or loss.

3.3. Intangible fixed assets

3.3.1. Easements

Easements are recognised in intangible assets by the amounts paid by the company to beneficiaries as right of way for the installation of the gas system. Amortisation is charged to profit or loss using the straight line method over the useful lives of the assets. Their estimated useful life is 40 years as the relevant expenditure is considered to be consequential to the gas pipeline installation investment, which has the same useful life.

3.3.2. Software

Software is recognised as intangible assets at acquisition cost. The expenses incurred to increase or expand the performance of software beyond its initial specifications are recognised as capital expenses added to the initial software cost. Amortization of software is charged to profit or loss using the straight line method over the useful life of such software. Its estimated useful life is 1-3 years.

3.3.3. Rights of use

The company has the right to use the island of Revythousa, where the Liquefied Natural Gas (LNG) installations are, for an indefinite period of time. The right was granted by the Greek State free of charge only for the construction and use of the LNG installations. By document Ref.No. 417/24-05-2013, “Public Properties Company SA” amended the terms of concession of use of Revythousa island against payment which stands at €200 thousand per year, subject to annual adjustment by 100% of the Consumer Price Index on the annual payment over the previous year. The company has been working towards acquiring full ownership of the island from the Greek State.

3.4. Impairment of assets

Tangible and intangible assets and other non-current assets are tested for impairment loss when there is an indication that their book value is unrecoverable, i.e. when their book value exceeds the amount to be recovered if they are used or sold. When the book value of an asset exceeds its recoverable amount, the corresponding impairment loss is recorded in profit and loss. The realisable value of an asset is the higher amount of the net estimated selling price and the value due to use thereof. The net selling price is the amount that can be received from the sale of an asset as part of a bilateral transaction where the parties are fully aware of the transaction and have subscribed to it willfully, after deducting any additional direct distribution cost of the asset. Value due to use is the current value of the estimated future cash flows expected to arise from the ongoing use of an asset and from the proceeds expected from its disposal when its estimated useful life is over. If it is impossible to estimate the recoverable amount of an asset for which there is an indication of impairment, the recoverable amount of the cash generating unit to which the asset belongs shall be determined.

An impairment loss for assets recognised in prior fiscal years shall be reversed if, and only if, there is sufficient indication that the impairment no longer exists or has been decreased. In such cases reversal of the impairment is recognized as income. The Company performed an asset impairment test based on the value in use, and has determined there is no impairment issue.

3.5 Investments in associates

An associate is an undertaking over which the company exercises significant influence, which does not however qualify as a subsidiary. A 50% holding means significant influence for the company. Investments in associates are measured in the company's financial statements at acquisition cost less accumulated impairment.

3.6 Inventories

Inventories are stated at the lower between acquisition cost and net realisable value. The cost of inventories is determined using the moving average cost method and includes all the necessary expenses incurred for inventories to be taken to their placement location. The net realisable value of inventories is their estimated selling price during the normal operation of the company minus the estimated necessary costs for sale thereof. The net realisable value of the materials used for the construction and maintenance of the pipeline is their estimated cost of replacement during the normal operation of the company.

On each reporting date, inventories that are obsolete, useless and with very low inventory turnover are tested for impairment. Provisions are formed for the reduction of the acquisition value of inventories in net realisable value, which are registered in profit or loss during the period where such arise. The provisions are reviewed at each subsequent period.

3.7 Trade receivables

Trade receivables are initially recognised at fair value and then they are measured at net book cost minus impairment provisions, using the effective interest rate method. When there are objective indications that the company will not receive all the amounts due thereto, in accordance with the terms and conditions set forth in each agreement, it shall form a provision for impairment of trade receivables. The amount of the provision is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recorded as an expense in the statement of comprehensive income.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, short-term high liquidity investments of up to three months. Cash and cash equivalents present insignificant risk of changes in value.

3.9 Share Capital

Ordinary shares are classified in equity. The cost directly attributable to issuing new shares is recognized directly in equity as a reduction of the amount receivable.

3.10 Loans

All loans and borrowings are initially classified at cost being the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, borrowings are measured at amortised cost using the discount interest method. Any difference between the amount received (net of acquisition cost) and the amount to be repaid is recognized in profit and loss over the loan period.

3.11 Operating Leases

Any leases where ownership risks and benefits are maintained by the lessor are classified as are classified as operating leases. Payment of operating lease fees are recognized as an expense in the statement of comprehensive income on a constant basis during the lease.

3.12 Income tax (current and deferred)

The income tax for the fiscal year includes current and deferred taxes. Current and deferred income taxes are calculated based on the relevant amounts reflected in the financial statements, in accordance with the tax laws applicable in Greece. Current income tax refers to tax on the taxable profits of the company, as restated in conformance with the fiscal law, and is calculated using the applicable income tax rate.

Deferred tax is determined using the liability method for all the temporary tax differences, as at the reporting date, between the tax basis and book value of the assets and liabilities. The expected tax effects of the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as future (deferred) tax assets.

Deferred tax assets are recognised for all tax deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the tax-deductible temporary difference can be used.

The book value of the deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that taxable profits will not be available against which a part or the total of the deferred tax assets can be used.

Current Income tax assets and liabilities for the current and previous fiscal years are measured at the amount expected to be paid to the tax authorities (or recovered from them), using tax rates (and tax laws) that have been enacted by the reporting date.

3.13 Dividends

The dividends payable are presented as a liability at the time or approval by the General Meeting of Shareholders.

3.14 Employee benefits

3.14.1 Short term benefits

Short-term employee benefits in cash or in kind are recorded as an expense when they are accrued.

3.14.2 Defined contribution plan

Company personnel are covered mainly by the main State Insurance Body for the private sector (Social Security Organisation [IKA]) which provides retirement and medical benefits. Each employee is required to contribute part of his/her monthly salary to the organisation, and the rest of the contribution is covered by the company. Upon retirement, the pension fund is responsible for paying retirement benefits to employees. The liabilities relating to contributions in defined contribution plans are registered as an expense in profit or loss at the time they are due. Thus the company does not have any legal or implicit obligation to pay future benefits on the basis of that plan.

3.14.3 Defined Benefit Plans

Employee benefits plans relating to retirement indemnities are part of defined contributions plans according to IAS 19 - "Employee Benefits".

The Company's liability to employees under the defined benefit plan for the future payment of benefits depending on the employment time of each one of them is measured and presented on the basis of the expected payment of each employee's accrued right at the balance sheet date, discounted at its present value, as compared to the estimated time of payment thereof. The discount interest rate used is equal to the performance, at the reporting date, of the mid-term Greek government bonds.

The relevant liability is estimated on the basis of the financial and actuarial assumptions detailed in Note 21 and are determined using the Projected Unit Method. The net retirement costs for the reporting period are included in the payroll cost and comprise the current value of the benefits that became accrued during the reporting period, the interest on the benefit obligation, the cost of previous employment, the actuarial profits or losses recognised in the fiscal year, as well as any additional retirement costs. Previous employment costs are recognised on a fixed basis upon the mean period until the benefits of the plan are established. The unrecognised actuarial profits and losses, which exceed 10% of the future estimated liability for benefits at the beginning of the period, are recognised upon the mean remaining period of employment of active employees and are included in the net retirement cost for each fiscal year. Liabilities for retirement benefits are not financed. Based on the new IAS 19 which was implemented on 01.01.2013, the total actuarial loss/profit (UAI/G) that arises, must be directly recognised in a separate account in the statement of comprehensive income with direct impact on equity.

3.15 State grants

State grants are initially recognised at fair value when it is reasonably certain that the grant will be received and that the company will comply with all stipulated terms. State grants for current expenditure are recognised in profit or loss in the period in which they are required for matching the costs for which they are intended. State grants for the purchase of tangible assets are shown as non-current liabilities (deferred income), are recognized as income and are transferred to profit or loss in the financial statement reporting period, over the useful life of the asset being subsidized.

3.16 Financial instruments

The main financial instruments used by the company are cash, bank deposits, short-term receivables and payables and bank loans. Given the short-term nature of these instruments, the company's Management believes that their fair value is actually equal to their book value.

3.17 Recognition of income

The income from the services provided is based on the stage of completion, which is determined on the services provided so far, expressed as a percentage of the total services provided. The income from the sale of goods is recognised when the significant risks and benefits from the ownership of goods are transferred to the buyer.

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable in the period until maturity, when it is stipulated that such income will be payable to the company.

3.18 Expenses

3.18.1 Operating leases

Payments made under operating leases are recognized as expenses in the profit and loss account in the reporting period at the time of use of the leased asset.

3.18.2 Financing cost

The net financing cost includes the interest accrued on the loans taken,
which is calculated based on the effective interest rate method.

3.19 Earnings per share

Basic earnings per share are calculated by dividing net profits for the period by the average weighted number of ordinary shares in circulation during the period.

3.20 Analysis of company activities per branch

A "segment" or "part" of the company's activities is any distinct business activity which has peculiar characteristics as to the nature of its activity and the business risks it involves (business segment). A similar distinction is also made based on the business environment in which the activity is taking place (geographical segment).

In the fiscal year from 1 January to 31 December 2014, the company operated, maintained, managed and exploited the National Gas System, while at the same time going on expanding it in Greece.

Notes on the Financial Statements

4 Other operating income

Other operating income is broken down as follows:

Amount in thousand €

	01.01.14 31.12.14	01.01.13 31.12.13
Grants for training	0	8
Income from invitations to tenders	3	1
Income from welder certification services	11	6
Miscellaneous income	661	941
Income from rents of buildings - technical works	2	3
Income from penalties	494	167
Income from forfeiture of guarantee letters and penalties	0	116
Other & extraordinary profit	1	6
Income from previous years	2.436	7.612
Income from staff retirement indemnity provisions	501	708
Income from other operating provisions	0	222
Income from provisions for contingencies	1.257	3.594
Balance	**5.366**	**13.384**

5 Administrative expenses

Administrative expenses are broken down as follows:

Amount in thousand €

	01.01.14 31.12.14	01.01.13 31.12.13
Personnel fees and expenses	4.360	4.482
Third party fees and expenses	4.598	4.728
Third party benefits	1.054	1.219
Taxes and duties expenses	105	236
Miscellaneous expenses	1.671	1.597
Interest & similar charges	1.164	2.063
Amortisation expenses	107	65
Staff indemnity provision	279	246
Balance	**13.339**	**14.636**

6 Distribution expenses

Distribution expenses are broken down as follows:

Amount in thousand €	01.01.14 31.12.14	01.01.13 31.12.13
Personnel fees and expenses	45	58
Third party fees and expenses	95	61
Third party benefits	8	9
Taxes and duties expenses	7	24
Miscellaneous expenses	175	208
Amortisation expenses	1	1
Staff indemnity provision	2	2
Balance	**333**	**363**

7 Other operating expenses

Other operating expenses are broken down as follows:

Amount in thousand €	01.01.14 31.12.14	01.01.13 31.12.13
Extraordinary and non-operating expenses	30	237
Extraordinary losses	0	1
Expenses from previous years	1.971	5.358
Staff retirement indemnities	582	708
Provisions for contingencies	0	24.273
Balance	**2.582**	**30.577**

8 Financing cost - Foreign exchange differences

Financial costs (income) are broken down as follows:

Amount in thousand €	01.01.14 31.12.14	01.01.13 31.12.13
Interest expenses and banking liabilities	10.049	11.985
Other financial expenses	107	96
Total financial expenses	**10.156**	**12.081**
Less:		
Interest and related income	(4.670)	(9.402)
Financing cost	**5.486**	**2.679**
Less: Exchange differences		
Foreign exchange difference expenses	(23)	77
Foreign exchange difference income	(1)	(7)
Total foreign exchange differences	(24)	70
Net financial expenses (income)	**5.462**	**2.749**

The accompanying notes are an integral part of these financial statements.

(Amounts in Euro thousand)

9 Income tax

The tax charged on results was determined as follows:

	01.01 - 31.12.2014	01.01 - 31.12.2013
Income tax	4.402	16.390
Deferred tax	3.186	4.573
Taxes from previous years	0	0
Provision for income tax of unaudited fiscal years	0	0
Income tax through P&L	**7.588**	**21.143**

		01.01 - 31.12.2014		01.01 - 31.12.2013
Profits before taxes		27.424		53.619
Tax calculated on the basis of the Company's tax rate (2013: 26 %, 2012: 20 %)		7.130		13.941
Permanent accounting differences	5.725		26.236	
Less: Adjustments	(14.548)		(17.079)	
	(8.823)	(2.294)	**9.158**	2.381
		4.836		16.322
Adjustment tax		2.752		5.255
Tax rate difference tax		0		(435)
Taxes from previous years		0		0
Provision for income tax of unaudited fiscal years		0		0
Income tax through P&L		**7.588**		**21.143**

The fact that in some cases income or expenses are accounted for at a time other than the time when such income is taxed or such expenses are deducted, for taxable income determination purposes, makes it necessary to account for deferred tax assets or deferred tax liabilities. The deferred tax asset recognised by the company is as follows:

	31/12/2014	31/12/2013
Deferred tax assets	108	4.067
Deferred tax liabilities	(2.864)	(4.072)
Total deferred tax in the Balance Sheet	**(2.756)**	**(5)**

	31/12/2014	31/12/2013
Opening balance	(5)	4.816
Adjustment tax	(2.752)	(5.255)
Effect of 2012 deferred tax (IAS19)	0	0
Tax rate difference	0	435
Closing balance	**(2.756)**	**(5)**

	31/12/2013	Debit (Credit) in Profit or Loss from tax rate differences	Debit (Credit) through P&L	31/12/2014
Deferred tax liabilities				
Effects of measurement exchange differences	(4)	(7)	-	(11)
Effects of borrowing expenses	(8)	2	-	(7)
Capitalisation of borrowing cost	(3.065)	-	0	(3.065)
Grants for fixed asset investments	829	779	-	1.607
Revaluation of Property 2012 under Law 2065	(329)	-	0	(329)
Provisions for termination benefits	(1.494)	434	0	(1.059)
	(4.072)	1.208	-	(2.864)
Deferred tax assets				
Deletion of formation expenses	398	187	0	211
Tangible assets	(5.619)	4.752	0	(10.370)
Provision for devaluation of inventories	1.535	(579)	0	2.113
Other provisions	4.290	(900)	0	5.190
Provision for staff retirement indemnity	3.463	500	0	2.963
	4.067	3.960	0	108
Net deferred tax assets in Balance Sheet	(5)	(2.752)	-	(2.756)

10 Earnings per share

The calculation of basic earnings per share is as follows:

EARNINGS PER SHARE	**1/1-31/12/2014**	**1/1-31/12/2013**
Net profits payable to the Company's ordinary shareholders (in € thousand)	19.836	32.476
Weighted average number of shares in circulation	7.258.644	7.258.644
Basic earnings (losses) per share (in €)	**2,7327**	**4,4742**

11 Tangible assets

The company's tangible assets are broken down as follows:

Amount in thousand €	Land	Buildings	Machinery	Vehicles	Furniture, Fittings & Equipment	Assets constructions in progress	Total
Acquisition or measurement value							
As of 1 January 2013	7.423	85.639	1.520.159	1.704	35.324	116.866	1.767.115
Purchases for the year 1/1-31/12/2013	0	271	100	0	199	72.180	72.750
Estimated cost of construction period	0	0	0	0	0	3.146	3.146
Transfers for the year 1/1-31/12/2013	30	5.477	75.343	0	2.056	(82.906)	0
Sales/Disposals for the year 1/1-31/12/2013	0	0	0	(65)	(10)	0	(75)
Total as of 31/12/2013	**7.452**	**91.387**	**1.595.602**	**1.639**	**37.569**	**109.286**	**1.842.936**
Accumulated depreciation							
As of 1 January 2013	0	50.623	441.296	1.698	30.272	0	523.889
Depreciation for the year 1/1-31/12/2013	0	4.254	43.786	5	1.733	0	49.777
Sales/Disposals for the year 1/1-31/12/2013	0	0	0	(65)	(9)	0	(74)
Total as of 31/12/2013	**0**	**54.877**	**485.082**	**1.637**	**31.996**	**0**	**573.592**
Net book value							
As of 31/12/2012	**7.423**	**35.016**	**1.078.863**	**6**	**5.052**	**116.866**	**1.243.226**
As of 31/12/2013	**7.452**	**36.510**	**1.110.520**	**2**	**5.574**	**109.286**	**1.269.344**

(Amounts in Euro thousand)

	Land	Buildings	Machinery	Vehicles	Furniture, Fittings & Equipment	Assets constructions in progress	Total
Acquisition or measurement value							
As of 1 January 2014	7.452	91.387	1.595.602	1.639	37.569	109.286	1.842.936
Purchases for the year 1/1-31/12/2014	300	14	33	45	59	70.264	70.714
Estimated cost of construction period	0	0	0	0	0	3.587	3.587
Transfers for the year 1/1-31/12/2014	43	1.404	9.485	0	32	(11.381)	(417)
Sales/Disposals for the year 1/1-31/12/2014	0	0	0	0	(13)	0	(13)
Total as of 31/12/2014	**7.796**	**92.805**	**1.605.120**	**1.684**	**37.647**	**171.755**	**1.916.807**
Accumulated depreciation							
As of 1 January 2014	0	54.877	485.082	1.637	31.996	0	573.592
Depreciation for the year 1/1-31/12/2014	0	4.494	47.633	4	1.997	0	54.129
Sales/Disposals for the year 1/1-31/12/2014	0	0	0	0	(13)	0	(13)
Total as of 31/12/2014	**0**	**59.372**	**532.715**	**1.641**	**33.980**	**0**	**627.708**
Net book value							
As of 31/12/2013	**7.452**	**36.510**	**1.110.520**	**2**	**5.574**	**109.286**	**1.269.344**
As of 31/12/2014	**7.796**	**33.433**	**1.072.405**	**43**	**3.668**	**171.755**	**1.289.099**

The fixed assets under construction or installation include part of the total borrowing cost for the year 1/1-31/12/2014. The borrowing cost capitalised in the current year amounts to €3,587 thousand.

The capitalisation interest rate used to determine the borrowing cost capitalised was 4.06%.

12 Intangible assets

The company's intangible assets are detailed as follows:

Amount in thousand €

	Software	Fees	Total
Acquisition or measurement value			
As of 1 January 2013	2.100	27.645	29.745
Purchases for the year 1/1-31/12/13	0	1.706	1.707
Sales/Disposals for the year 1/1-31/12/13	0	(3.950)	(3.950)
Total as of 31/12/2013	2.100	25.401	27.501
Accumulated depreciation			
As of 1 January 2013	2.081	10.460	12.542
Depreciation for the year 1/1-31/12/2013	8	525	533
Sales/Disposals for the year 1/1-31/12/13	0	(1.520)	(1.520)
Total as of 31/12/2013	**2.090**	**9.465**	**11.555**
Net Book Value as of 31/12/2012	**19**	**17.185**	**17.203**
Net Book Value as of 31/12/2013	**11**	**15.936**	**15.947**
Acquisition or measurement value			
As of 1 January 2014	2.100	25.401	27.501
Purchases for the year 1/1-31/12/14	927	0	927
Transfers for the year 1/1-31/12/2014	417	0	417
Sales/Disposals for the year 1/1-31/12/14	0	0	0
Total as of 31/12/2014	**3.445**	**25.401**	**28.846**
Accumulated depreciation			
As of 1 January 2014	2.090	9.465	11.555
Depreciation for the year 1/1-31/12/2014	9	528	537
Sales/Disposals for the year 1/1-31/12/14	0	0	0
Total as of 31/12/2014	**2.099**	**9.993**	**12.092**
Net Book Value as of 31/12/2013	**11**	**15.936**	**15.947**
Net Book Value as of 31/12/2014	**1.346**	**15.408**	**16.754**

Depreciation and amortization of tangible and intangible assets to the amount of €54.538 thousand was recorded in the cost of sales, to the amount of €107 thousand was recorded in administrative expenses, to the amount of €1 thousand was recorded in distribution expenses, and to the amount of €20 thousand was recorded in construction of fixed assets.

13 Investments in associates

"SOUTH STREAM GAS PIPELINE SOCIÉTÉ ANONYME" was established and registered in the Registry of Sociétés Anonyme of the Prefecture of Athens under S.A. Reg. No. 69873/01AT/B/10/198, on 13/7/2010. The company's objective is to: (a) develop, finance, construct, manage, operate and maintain the part of the South Stream gas pipeline that is in Greece, which is owned by the company, and (b) provide support services relating to the activities referred to under (a) above, as well as to prepare studies of all types concerning the above activities. The Hellenic Gas Transmission System Operator (DESFA) S.A. and OAO GAZPROM each have a 50% holding in the company.

Following are the financial date of SOUTH STREAM:

NAME	COUNTRY OF ESTABLISHMENT	TOTAL ASSETS	LIABILITIES	GAINS	LOSSES	PERCENTAGE OF PARTICIPATION
SOUTH STREAM S.A	GREECE	628	1	0	18	50%

14 Long-term Receivables

The company's long-term receivables represent guarantees provided (rental fees, PPC, water supply) amounting to €261 thousand.

15 Inventories

The company's inventories are detailed as follows:

Amount in thousand €

	31/12/2014	31/12/2013
Natural gas	13.190	15.475
Materials for the construction and maintenance of the Gas Pipeline	18.734	27.750
	31.924	43.225
Less: Provision for devaluation	(8.127)	(8.127)
	23.797	**35.098**

Analysis of provisions for devaluation of inventories

Amount in thousand €

	31/12/2014	31/12/2013
Balance as of 1 January	8.127	7.127
Provisions for the period	0	1.000
	8.127	**8.127**

There are no encumbrances on inventories.

16 Trade and other receivables

The company's total receivables are broken down as follows:

Amount in thousand €

	31/12/2014	31/12/2013
Trade debtors	39.356	117.986
Sundry debtors	36.376	18.828
Short-term receivables from affiliated companies	118	118
Advances and credit suspense accounts	49	41
Accrued expenses	584	1.120
Deferred income	818	1.986
Other prepayments and deferred income	0	5
Balance	**77.301**	**140.084**

All receivables are short-term and no discounting is necessary at the financial statement reporting date.

17 Cash and cash equivalents

Cash and cash equivalents include the company's cash and demand deposits. In particular:

Amount in thousand €

	31/12/2014	31/12/2013
Cash on hand	7	3
Sight and time deposits	64.261	54.503
Balance	**64.268**	**54.505**

18 Share capital and Share premium account

The Company's share capital comprises 7,258,644 ordinary registered registered shares of a nominal value of €88.04 each. The company' share capital as of 31 December 2014 is detailed in the following table:

SHARE CAPITAL

SHAREHOLDER	NUMBER OF SHARES HELD	SHARE CAPITAL (in € thousand)	HOLDING AS OF 31/12/2014
PUBLIC GAS CORPORATION	7.258.644	639.051	100.00%
TOTAL	**7.258.644**	639.051	**100.00%**

According to the company's Registry of Shareholders, as of December 31, all its shares were held by the parent company DEPA.

19 Reserves

The company's reserves are broken down as follows:

Amount in thousand €

	31/12/2014	31/12/2013
Statutory reserves	17.713	16.698
Value of real estate and other fixed assets acquired free of charge	449	449
Balance	**18.161**	**17.146**

20 Borrowings

The company's borrowings are expressed in Euro and have been granted mainly by the European Investment Bank; one has been granted by the National Bank of Greece. The amounts payable within one year from the financial statement reporting date are designated as short-term, and those payable at a later time are designated as long-term. The company's loans are broken down, per main financing organisation, as follows:

Amount in thousand €

	31/12/2014		31/12/2013			
Τράπεζα	**Short-term Liabilities**	**Long-term Liabilities**	**Short-term Liabilities**	**Long-term Liabilities**	**Long-term liability repayment times**	**Borrowing interest rate**
EUROPEAN INVESTMENT BANK (2)	4.000	4.000	4.000	8.000	25/10/2016	4,569%
EUROPEAN INVESTMENT BANK (3)	4.000	4.000	4.000	8.000	25/10/2016	4,521%
EUROPEAN INVESTMENT BANK (4)	5.000	7.500	5.000	12.500	25/4/2017	4,520%
EUROPEAN INVESTMENT BANK (5)	7.000	21.000	7.000	28.000	15/5/2018	5,550%
EUROPEAN INVESTMENT BANK (6)	545	8.727	545	9.273	17/7/2031	4,479%
EUROPEAN INVESTMENT BANK (7)	1.083	6.500	1.083	7.583	17/7/2021	4,328%
EUROPEAN INVESTMENT BANK (8)	833	5.833	833	6.667	10/7/2022	4,887%
EUROPEAN INVESTMENT BANK (9)	455	7.727	455	8.182	10/7/2032	4,979%
EUROPEAN INVESTMENT BANK (10)	1.304	22.826	1.304	24.130	31/1/2033	4,619%
NATIONAL BANK	7.076	31.845	7.076	38.921	19/3/2020	4,980%
EUROPEAN INVESTMENT BANK (11)	1.400	27.300	1.400	28.700	31/5/2035	3,875%

(Amounts in Euro thousand)

EUROPEAN INVESTMENT BANK (12)	0	30.000	0	30.000	20/12/2032	3,263%
EUROPEAN INVESTMENT BANK (13)	0	25.000	0	25.000	21/10/2033	3,659%
EUROPEAN INVESTMENT BANK (14)	0	40.000	0	0	16/12/2029	1,915%
Total loan liabilities	**32.697**	**242.259**	**32.697**	**234.956**		

Please note the following about the above loans:

- Loan (2) granted by the European Investment Bank amounting to € 40,000 thousand was issued on 12/11/1996; its maturity date is 25/10/2016. According to plan, the principal shall be repaid on an annual basis from 25/10/2007 to 25/10/2016. The annual repayment installment amounts to €4,000 thousand.

- Loan (3) granted by the European Investment Bank amounting to € 40,000 thousand was issued on 18/12/1996; its maturity date is 25/10/2016. According to plan, the principal shall be repaid on a semiannual basis from 25/04/2007 to 25/10/2016. The annual repayment installment amounts to €4,000 thousand.

- Loan (4) granted by the European Investment Bank amounting to € 50,000 thousand was issued on 24/09/1997; its maturity date is 25/04/2017. According to plan, the principal shall be repaid on an semiannual basis from 25/10/2007 to 25/04/2017. The annual repayment installment amounts to €5,000 thousand.

- Loan (5) granted by the European Investment Bank amounting to € 70,000 thousand was issued on 15/06/1998; its maturity date is 15/05/2018. According to plan, the principal shall be repaid on an annual basis from 15/05/2009 to 15/05/2018. The annual repayment installment amounts to €7,000 thousand.

- Loan (6) granted by the European Investment Bank amounting to € 12.000 thousand was issued on 17/07/2006; its maturity date is 17/07/2031. According to plan, the principal shall be repaid on an annual basis from 17/07/2010 to 17/07/2031. The annual repayment installment amounts to €545 thousand.

- Loan (7) granted by the European Investment Bank amounting to € 13.000 thousand was issued on 17/07/2006; its maturity date is 17/07/2021. According to plan, the principal shall be repaid on an annual basis from 17/07/2010 to 17/07/2021. The annual repayment installment amounts to €1,083 thousand.

- Loan (8) granted by the European Investment Bank amounting to €10,000 thousand, which is an extension of the above loan (7), was issued on 10/07/2007; its maturity date is 10/07/2022. According to plan, the principal shall be repaid on an annual basis from 10/07/2011 to 10/07/2022. The annual repayment installment amounts to €833 thousand.

- Loan (9) granted by the European Investment Bank, amounting to €10,000 thousand, which is an extension of the above loan (6), was issued on 10/07/2007; its maturity date is 10/07/2032. According to plan, the principal shall be repaid on an annual basis from 10/07/2011 to 10/07/2032. The annual repayment installment amounts to €455 thousand.

- Loan (10) granted by the European Investment Bank amounting to € 30.000 thousand was issued on 31/1/2008; its maturity date is 31/01/2033. According to plan, the principal shall be repaid on an semiannual basis from 31/07/2010 to 31/01/2033. The annual repayment installment amounts to €1,304 thousand.

- The loan granted by the National Bank of Greece amounting to €85,000 thousand was issued on18/3/2008; its maturity date is 19/03/2020. According to plan, the principal shall be repaid on an semiannual basis from 19/03/2009 to

19/03/2020. The annual repayment installment amounts to €7,076 thousand.

- Loan (11) granted by the European Investment Bank amounting to € 35.000 thousand was issued on 31/5/2010; its maturity date is 31/05/2035. According to plan, the principal shall be repaid on an semiannual basis from 30/11/2010 to 31/05/2035. The annual repayment installment amounts to €1,400 thousand.

- Loan (12) granted by the European Investment Bank amounting to € 30.000 thousand was issued on 19/12/2012; its maturity date is 20/12/2032. According to plan, the principal shall be repaid on an semiannual basis from 19/06/2017 to 20/12/2032. The annual repayment installment amounts to €1,875 thousand.

- Loan (13) granted by the European Investment Bank amounting to €25,000 thousand was issued on 21/10/2013; its maturity date is 21/10/2033. According to plan, the principal shall be repaid on an semiannual basis from 21/04/2018 to 21/10/2033. The annual repayment instalment amounts to €1,562 thousand.

- Loan (14) granted by the European Investment Bank amounting to € 40.000 thousand was issued on 16/12/2014; its maturity date is 17/12/2029. According to plan, the principal shall be repaid on an semiannual basis from 17/06/2019 to 17/12/2029. The annual repayment installment amounts to €3.636 thousand.

- On 17/10/2012 the company signed Recourse Factoring Contract No. 577/17/10/2012 and the supplementary Claim Pledge Agreement with "Ethniki Factors SA" with the maximum prepayment limit of €15,000.

21 Employee rights

The company's liability to employees working in Greece for the future payment of benefits depending on the employment time of each one of them is measured and presented on the basis of the expected payment of each employee's accrued right at the financial statement reporting date, discounted at its present value, taking into account the estimated time of payment thereof. The annual discount interest rate used is 1,50%. The accumulated benefits in each period are charged to profit or loss with a corresponding increase in the retirement liability. The benefits paid to retiring employees are charged against such liability.

The number of personnel employed by the company and the relevant payroll costs are as follows:

	31/12/2014	31/12/2013
Persons:		
Permanently employed	228	235
Total	**228**	**235**
Amount in thousand €		
Employee cost analysis:		
Payroll expenses	10.356	10.565
Staff indemnity expenses	501	708
Social security expenses	2.488	2.703
Provision for staff retirement indemnity	755	736
Total costs	**14.100**	**14.712**

The Company's staff retirement indemnity liability was determined through an actuarial study carried out by an independent recognised actuarial firm. The key amounts and assumptions of the actuarial study of as of 31 December 2014, are presented below:

Basic assumptions in the actuarial study as of 31/12/2014:

Actuarial method of measurement	Projected Unit Credit Method
Average annual long-term rise of inflation	1,75%
Average annual payroll increase	0% by 2016 and 1,00% thereafter
Discount interest rate	1,50%
Assets concerning indemnification under Law 2112/20	None

Amount in thousand €	**31/12/2014**	**31/12/2013**
Retirement liability		
Liability at beginning of period	9.586	9.819
Recognised actuarial gains 2011	0	0
Recognised actuarial gains 2012	0	0
Recognised actuarial gains 2013	0	(260)
Recognised actuarial gains 2014	1.670	0
Benefits paid	(501)	(708)
Expenses recognised in profit or loss	755	736
	11.509	**9.586**

22 State Grants

State grants pertain to investments in fixed assets and are recognised as income along with the depreciation of assets - mainly mechanical equipment - being subsidised. In accordance with the law used as a basis for the grant, there are certain restrictions applicable to the transfer of the subsidised fixed assets and the modification of the legal status of the subsidised company. The audits performed by competent authorities from time to time have not identified any non-compliances with such restrictions.

Amount in thousand €

	31/12/2014	**31/12/2013**
Opening balance	270.692	262.456
Grants received	12.556	22.885
Adjustments grants	0	(2.462)
Amortisation of grants	(12.768)	(12.187)
Balance	**270.480**	**270.692**

23 Suppliers and other liabilities

The company's total liabilities to suppliers and other third parties are broken down as follows:

Amount in thousand €

	31/12/2014	31/12/2013
Suppliers	14.198	26.453
Cheques payable	283	216
Social security funds	368	406
Liabilities to affiliates	13.593	30.641
Sundry creditors	1.142	1.261
Customer prepayments	15.212	2.582
Dividends payable	0	37.500
Accrued expenses of the period	7.090	10.480
Other accruals and deferred income	33	16
Balance	**51.919**	**109.554**

24 Short-term tax liabilities

The company's total tax liabilities are broken down as follows:

Amount in thousand €

	31/12/2014	31/12/2013
Value added tax	4.397	6.953
Payroll taxes and duties	317	253
Third party fees taxes and duties	19	40
Income tax	0	3.692
Other taxes & duties	505	382
Taxes and duties from previous fiscal years	172	467
Balance	**5.411**	**11.787**

25 Transactions with related parties

The company's transactions with affiliated entities are as follows:

a) Transactions with Parent company DEPA S.A. and other affiliated undertakings:

Amount in thousand €	31/12/2014	31/12/2013
Receivables from		
DEPA S.A.	13.900	107.108
EPA ATTICA S.A.	27	28
EPA THESSALONIKI S.A.	41	25
EPA THESSALY S.A.	45	31
	14.013	**107.270**
Liabilities to		
DEPA S.A.	**15.539**	**72.706**

	31/12/2014	31/12/2013
Revenue from		
DEPA S.A.	190.055	198.975
EPA ATTICA S.A.	111	111

(Amounts in Euro thousand)

EPA THESSALONIKI S.A.	82	85
EPA THESSALY	126	130
	190.372	**199.301**
Expenses to		
DEPA S.A.	**76.731**	**46.738**

b) Fees and other benefits to BoD members

	1/1-31/12/2014	1/1-31/12/2013
Fees - Other Benefits:	271	207

26 Financial risk management

The Company is exposed to various financial risks; the most significant risks are market risk - including foreign exchange risk and interest rate risk - credit risk and liquidity risk. The Company's risk management policies are aimed at minimising the possible negative effects of such risks on the financial position and performance of the company.

As referred to in paragraph 3.16, the main financial instruments used by the company are cash, bank deposits, trade and other receivables and liabilities and bank loans. From time to time, the company Management reviews and revises the relevant policies and procedures relating to the management of financial risks, as described below:

I. Market risk

- ***Interest rate risk:*** The risk associated with interest rate changes comes mainly from long-term and short-term borrowings. As of 31/12/2014 all long-term and short-term borrowings pertained to fixed rate borrowings. Moreover, as referred to in paragraph 20, all the company's borrowings are in Euro. The Management continuously monitors interest rate fluctuations and the company's financing needs and assesses, on a case-by-case basis, the duration of borrowings and the difference between fixed and floating interest rates.
- ***Foreign exchange risk:*** The company is exposed to limited foreign exchange risk as all its assets and most of its liabilities are in Euro.

II. Credit risk

The company's exposure to credit risk is limited to financial assets (instruments) which, as at the financial statement reporting date, are broken down as follows:

	31/12/2014	31/12/2013
Cash and cash equivalents	64.268	54.505
Trade and other receivables	77.301	140.084
	141.569	**194.589**

The company monitors its receivables at all times and the most important user of the National Gas System (ESFA) is its parent company DEPA S.A.

(Amounts in Euro thousand)

III. Liquidity risk

The liquidity risk is maintained at low levels through the availability of adequate cash and cash equivalents and credit lines. Following is a table presenting an analysis of financial liabilities and liabilities resulting from derivative financial instruments, according to their contractual settlement dates.

BORROWINGS REPAYMENT TABLE

As of 31/12/2014	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
Borrowings	32.697	32.704	66.999	142.556
Suppliers	51.919			

As of 31/12/2013	Up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
Borrowings	32.697	32.704	79.926	122.326
Suppliers	109.554			

27 Financial instruments

27.1 Settlement of financial instruments per presentation category

Assets as shown on the Balance Sheet of 31 December 2014	Loans and receivables
Trade and other receivables	77.301
Total	**77.301**

Assets as shown on the Balance Sheet of 31 December 2013	Loans and receivables
Trade and other receivables	140.084
Total	**140.084**

28 Commitments and Contingent Liabilities

28.1 Contingent liabilities from cases in litigation or under arbitration

a) There are third party actions against the company amounting to € 55.623 as follows (aa) An amount of € 12.714 involves technical-construction works. . It should be noted that, according to the company's accounting principle, the compensations paid for the above cases are included in the acquisition value of tangible assets, therefore no provision is made. (bb) An amount of € 42.908 for which the company estimates that it will not pay more than €18.842.

b) There are liabilities from Greek government securities amounting to €17,800 for which the company has created an equal provision.

c) There are actions lodged against the company involving compensation for expropriation of real estate totaling €10.031

directly related to the construction-extension of the conduit and other tangible assets. It should be noted that, according to the company's accounting principle, the compensations paid for the above cases are included in the acquisition value of tangible assets, therefore no provision is made.

d) The company has formed a provision for the compensation of security supply duty amounting to € 1.886.

e) There are also actions lodged by the company against third parties totaling €30.510.

28.2 Commitments from operating leases

The company has entered into agreements for the operating leasing of transportation equipment and building facilities. The lease fees associated with operating leases, as recorded in the statement of comprehensive income for the 1/1-31/12/2014 period amounted to €1.392 thousand. The future minimum operating lease fees to be paid for transportation equipment and building facilities on the basis of irreversible operating lease agreements are as follows:

	31/12/2014	31/12/2013
Up to 1 year	1 350	1.309
From 2 to 5 years	309	633
	1.659	**1.942**

28.3 Commitments and other contingent liabilities

28.3.1 Other commitments

Amount in thousand €

Liabilities	**31/12/2014**		**31/12/2013**
Outstanding agreements with project suppliers	127.200		182.157
Suppliers' letters of guarantee	605		1.089
Total	**127.805**	-	**183.246**

Receivables	**31/12/2014**		**31/12/2013**
Customers' letters of guarantee	53.228		47.198
Suppliers' letters of guarantee	78.115		80.035
Total	**131.343**	-	**127.233**

28.3.2.Contingent Liabilities

The Company has been tax audited for fiscal year 2010; for fiscal years 2011, 2012, 2013 a special tax audit was performed (in accordance with Article 82(5) of Law 2238/1994) by the Company's Statutory Auditor, and the Tax Compliance Reports were issued. The company's Management uses consistent planning to minimise tax charges. With regard to fiscal year 2014, the company is being audited by Certified Auditors-Accountants, as stipulated in the provisions of Article 82(5) of Law 2238/1994.

29 Long-term liabilities

The company's long-term liabilities represent the performance guarantee in relation to Contract 497/12 with Egnatia Odos of €145 thousand.

30 Post balance sheet events

No events exist after 31 December 2014 which should be reported in accordance with the International Financial Reporting Standards.