PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)

Annual Financial Statements
for the year ended 31 December 2014
(In accordance with IFRS)

(TRANSLATED FROM THE GREEK ORIGINAL)

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Company Information

Board of Directors:	George Spanoudis – Chairman of the BoD (since 12/05/2014) Spyros Paleoyannis – Vice Chairman and Deputy CEO (until 12/05/2014) & Vice Chairman and CEO (until 30/06/2014) & CEO (since 30/06/2014) Konstantinos Andriosopoulos – Vice Chairman of the BoD (since 30/06/2014) Charalampos Sachinis – President & CEO (until 14/03/2014) Theodoros-Achilleas Vardas – Member of the BoD / HELPE representative Rallis Gekas – Member of the BoD (until 30/06/2014) Dimitrios Bouraimis – Member of the BoD (until 30/06/2014) Dimitrios Papakonstantinou – Member of the BoD (until 30/06/2014) Andreas Shiamishis – Member of the BoD / HELPE representative Evangelos Kosmas – Member of the BoD / Representative of employees (until 25/06/2014) Eleni Zilakaki– Member of the BoD / Representative of employees Giannis Michos – Member of the BoD (until 30/06/2014) Stefanos Avgouleas – Member of the BoD (until 30/06/2014) Dimitrios Voganatsis – Member of the BoD (since 30/06/2014) Nikolaos Mendrinos – Member of the BoD (since 30/06/2014) Ioannis Chatzistavropoulos – Member of the BoD (since 30/06/2014) Kleopatra Aggelidi – Member of the BoD (since 30/06/2014) Georgios Moustakis – Member of the BoD / Representative of employees (since 23/07/2014) George Spanoudis, Spyros Paleoyannis and Charalampos Sachinis are executive members of the Board of Directors.
Registered office:	92 Marinou Antipa Str & 37 Papaioannou Str 141 21 Iraklio Attiki
Registration number:	17913/01AT/B/88/592 (07)
GEMI (General electronic Commercial Registry):	000556901000

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP 31/12/2014	GROUP 31/12/2013	COMPANY 31/12/2014	COMPANY 31/12/2013
Revenue	6	1,088,029,671	1,553,479,207	1,159,087,557	1,591,137,836
Cost of sales		(998,463,056)	(1,373,775,652)	(1,100,846,394)	(1,487,849,410)
Gross profit		**89,566,615**	**179,703,555**	**58,241,163**	**103,288,426**
Administrative expenses	7	(27,197,320)	(29,509,412)	(13,858,568)	(14,877,761)
Distribution expenses	8	(10,375,248)	(7,398,751)	(10,042,671)	(7,035,397)
Other income/(expenses)	9	707,926	(26,841,013)	(1,321,559)	(3,772,180)
Amortization of grants	13	14,091,897	13,483,703	1,323,798	1,296,511
Share of profit from equity-accounted investees	16	18,175,405	23,035,009	-	-
Income from investments		-	-	31,813,102	48,496,161
Gain/(Loss) from foreign currency translation differences	10	(4,530,771)	2,389,513	(4,555,023)	2,459,391
Operating Profit		**80,438,504**	**154,862,604**	**61,600,242**	**129,855,151**
Finance cost	11	(10,882,447)	(16,661,526)	(4,644,525)	(14,659,415)
Finance income	11	27,801,452	40,597,541	27,049,499	41,274,597
Profit before income tax		**97,357,509**	**178,798,619**	**84,005,216**	**156,470,333**
Income tax	12	(14,647,671)	(32,097,365)	(7,172,523)	(12,114,259)
Total comprehensive income after income tax		**82,709,838**	**146,701,254**	**76,832,693**	**144,356,074**
Other comprehensive income/(loss):					
Amounts that will never be reclassified to profit or loss					
Actuarial gain/(loss)		(1,945,099)	263,360	(197,131)	65,114
Related tax		506.194	(129,097)	51,254	(105,777)
Amounts that are or may be reclassified to profit or loss					
Remeasurement of financial assets		11,347	(50,119)	-	-
Related tax		(2,950)	10,298	-	-
Other comprehensive income/(loss) after tax		**(1,430,508)**	**79,342**	**(145,877)**	**(40,663)**
Total comprehensive income for the year after tax		**81,279,330**	**146,780,596**	**76,686,816**	**144,315,411**
Basic and diluted earnings per share (expressed in Euro per share)	24	**7.35**	**13.03**	**6.82**	**12.82**

The notes on pages 13 to 70 are an integral part of these financial statements.

(All amounts are expressed in EUR unless otherwise stated)

STATEMENT OF FINANCIAL POSITION		Group	
ASSETS	**Note**	**31/12/2014**	**31/12/2013**
Non-current assets			
Property, plant and equipment	14	2,016,134,679	1,996,258,165
Intangible assets	15	19,798,065	19,235,541
Investment in joint ventures	16	314,232,120	334,394,800
Investment in associates	16	8,508,465	9,139,263
Other long-term receivables	17	430,718	49,059,564
Deferred tax assets	18	27,337,278	32,477,559
Total non-current assets		**2,386,441,324**	**2,440,564,892**
Current assets			
Inventories	19	43,350,143	59,859,683
Trade and other receivables	21	421,264,055	535,133,781
Cash and cash equivalents	20	303,240,849	154,002,901
Total current assets		**767,855,047**	**748,996,365**
TOTAL ASSETS		**3,154,296,371**	**3,189,561,257**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	22	991,238,046	991,238,046
Reserves	23	137,114,820	133,933,322
Retained Earnings		563,268,740	595,911,925
Total Equity		**1,691,621,606**	**1,721,083,293**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	242,258,862	234,956,126
Provisions and other liabilities	28	45,362,242	45,029,226
Government grants	27	304,048,887	305,584,878
Employee benefits	26	12,826,905	10,657,209
Other long-term liabilities	29	579,316,740	598,387,290
Deferred tax liabilities	18	2,756,302	4,623
Total non-current liabilities		**1,186,569,938**	**1,194,619,352**
Current liabilities			
Trade and other payables	30	236,128,788	229,374,832
Loans and borrowings	25	32,697,264	32,697,264
Short-term tax liabilities		7,278,775	11,786,516
Total current liabilities		**276,104,827**	**273,858,612**
Total liabilities		**1,462,674,765**	**1,468,477,964**
TOTAL EQUITY AND LIABILITIES		**3,154,296,371**	**3,189,561,257**

The notes on pages 13 to 70 are an integral part of these financial statements

(All amounts are expressed in EUR unless otherwise stated)

		COMPANY	
STATEMENT OF FINANCIAL POSITION			
ASSETS	**Note**	**31/12/2014**	**31/12/2013**
Non-current assets			
Property, plant and equipment	14	727,216,675	727,095,307
Intangible assets	15	3,044,289	3,288,803
Investment in joint ventures	16	906,617,851	924,467,851
Investment in associates	16	13,200,000	13,200,000
Other long-term receivables	17	167,176	48,911,742
Deferred tax assets	18	27,303,978	32,556,996
Total non-current assets		**1,677,549,969**	**1,749,520,699**
Current assets			
Inventories	19	19,553,205	24,762,156
Trade and other receivables	21	396,659,348	575,331,159
Cash and cash equivalents	20	238,972,599	99,497,481
Total current assets		**655,185,152**	**699,590,796**
TOTAL ASSETS		**2,332,735,121**	**2,449,111,495**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	22	991,238,046	991,238,046
Reserves	23	118,992,569	116,834,468
Retained Earnings		363,159,701	399,372,004
Total equity		**1,473,390,316**	**1,507,444,518**
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	28	6,833,028	7,129,226
Government grants	27	33,568,645	34,892,443
Employee benefits	26	1,317,515	1,071,568
Other long-term liabilities	29	579,127,620	598,198,170
Total non-current liabilities		**620,846,808**	**641,291,407**
Current liabilities			
Trade and other payables	30	236,629,745	300,375,570
Short-term tax liabilities		1,868,252	-
Total current liabilities		**238,497,997**	**300,375,570**
Total liabilities		**859,344,805**	**941,666,977**
TOTAL EQUITY AND LIABILITIES		**2,332,735,121**	**2,449,111,495**

The notes on pages 13 to 70 are an integral part of these financial statements

Chairman of the Board of Directors.	George Spanoudis
CEO	Spyros Paleoyannis
Head Financial Activities Member of the Greek Economic Chamber – 750 – A' Class Signatory Right	Maria Fantridaki
Head costing, Balance Sheet and Consolidated Financial Statements Member of the Greek Economic Chamber – 14456– A' Class Signatory Right	Leonidas Mouzakitis

(All amounts are expressed in EUR unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Other reserves	Special Reserves	Available for sale reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2013	991,238,046	41,265,084	461,086	81,739,293	36,438	2,781,243	492,697,562	1,610,218,752
Profit after tax for the year 1/1-31/12/2013	-	-	-	-	-	-	146,701,254	146,701,254
Other comprehensive income	-	-	-	-	(39,821)	-	119,163	79,342
Total comprehensive income for the year	-	-	-	-	**(39,821)**	-	**146,820,417**	**146,780,596**
Transactions with owners of the Company, recognized directly in equity:								
Transfer to reserves	-	7,690,000	-	(362,598)	-	362,598	(7,690,000)	-
Dividends	-	-	-	-	-	-	(35,916,054)	(35,916,054)
Total transactions with owners	-	7,690,000	-	(362,598)	-	362,598	(43,606,054)	(35,916,054)
Balance at 31 December 2013	**991,238,046**	**48,955,084**	**461,086**	**81,376,695**	**(3,383)**	**3,143,841**	**595,911,925**	**1,721,083,293**
Balance at 1 January 2014	991,238,046	48,955,084	461,086	81,376,695	(3,383)	3,143,841	595,911,925	1,721,083,293
Profit after tax for the year 1/1-31/12/2014	-	-	-	-	-	-	82,709,837	82,709,837
Other comprehensive income	-	-	-	-	8,397	-	(1,438,905)	(1,430,508)
Total comprehensive income for the year	-	-	-	-	8,397	-	81,270,932	81,279,329
Transactions with owners of the Company, recognized directly in equity:								
Reserves distribution	-	-	-	-	-	(1,683,899)	(520,830)	(2,204,729)
Transfer to reserves	-	4,857,000	-	-	-	-	(4,857,000)	-
Dividends	-	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with owners	-	4,857,000	-	-	-	(1,683,899)	(113,914,118)	(110,741,017)
Balance at 31 December 2014	**991,238,046**	**53,812,084**	**461,086**	**81,376,695**	**5,014**	**1,459,942**	**563,268,740**	**1,691,621,606**

The notes on pages 13 to 70 are an integral part of these financial statements.

(All amounts are expressed in EUR unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Other reserves	Special Reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2013	991,238,046	26,467,584	12,228	81,739,293	2,825,363	296,762,644	1,399,045,160
Profit after tax for the year 1/1/-31/12/2013	-	-	-	-	-	144,356,074	144,356,074
Other comprehensive income	-	-	-	-	-	(40,663)	(40,663)
Total comprehensive income for the year	-	-	-	-	-	144,315,411	144,315,411
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	5,790,000	-	(362,598)	362,598	(5,790,000)	-
Dividends	-	-	-	-	-	(35,916,054)	(35,916,054)
Total transactions with owners	-	5,790,000	-	(362,598)	362,598	(41,706,054)	(35,916,054)
Balance at 31 December 2013	**991,238,046**	**32,257,584**	**12,228**	**81,376,695**	**3,187,961**	**399,372,004**	**1,507,444,518**
Balance at 1 January 2014	991,238,046	32,257,584	12,228	81,376,695	3,187,961	399,372,003	1,507,444,517
Profit after tax for the year 1/1-31/12/2014	-	-	-	-	-	76,832,693	76,832,693
Other comprehensive income	-	-	-	-	-	(145,877)	(145,877)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**76,686,816**	**76,686,816**
Transactions with owners of the Company, recognized directly in equity:							
Distribution of reserves	-	-	-	-	(1,683,899)	(520,830)	(2,204,729)
Transfer to reserves	-	3,842,000	-	-	-	(3,842,000)	-
Dividends	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with owners	**-**	**3,842,000**	**-**	**-**	**(1,683,899)**	**(112,899,118)**	**(110,741,017)**
Balance at 31 December 2014	**991,238,046**	**36,099,584**	**12,228**	**81,376,695**	**1,504,062**	**363,159,701**	**1,473,390,316**

The notes on pages 13 to 70 are an integral part of these financial statements.

(All amounts are expressed in EUR unless otherwise stated)

CASH FLOW STATEMENT	GROUP		COMPANY	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
Cash Flows from operating activities:				
Profit before income tax	97,357,509	178,798,619	84,005,215	156,470,333
Adjustments for:				
Depreciation and amortization	77,713,326	72,887,461	23,047,023	22,577,659
Provisions	7,897,465	28,888,277	5,344,502	8,182,031
(Profit)/ loss from investments in joint ventures	(18,806,203)	(23,726,315)	-	-
Profit)/ loss from investments in associates	630,798	691,305	-	-
Income from dividends	-	-	(31,813,102)	(48,496,161)
(Profit)/Loss on sale of property, plant and equipment	-	11,792	-	10,662
Amortization of grants	(14,091,897)	(13,483,703)	(1,323,798)	(1,296,511)
Foreign currency differences	369,502	(161,494)	393,753	(231,373)
Net finance cost	(16,919,004)	(23,936,015)	(22,404,973)	(26,615,182)
Other income	-	(4,015,105)	-	-
Amortization of rights of use	(38,049,340)	(37,378,528)	(38,049,340)	(37,378,528)
	96,102,156	178,576,294	19,199,280	73,222,931
Adjustments for changes in working capital or changes related to operating activities:				
Decrease/(Increase) in inventories	16,509,540	13,618,259	5,208,951	4,371,984
Decrease/(Increase) in receivables	126,105,424	319,917,870	134,931,691	318,425,245
Decrease/(Increase) in long term receivable	48,628,845	(48,562,545)	48,744,566	(48,675,181)
(Decrease)/Increase in liabilities (excluding banks)	6,776,854	(280,922,805)	(73,071,096)	(262,127,594)
Cash Flows from operating activities	294,122,819	182,627,073	135,013,392	85,217,386
Interest and other related expenses paid	(10,898,354)	(26,330,079)	(4,644,525)	(13,992,705)
Taxes paid	(19,177,680)	(28,848,123)	-	-
Net Cash from operating activities (a)	**264,046,785**	**127,448,871**	**130,368,867**	**71,224,681**
Cash Flows from investing activities:				
Acquisition of property, plant, equipment and intangible assets	(77,413,629)	(80,215,592)	(2,185,143)	(2,538,880)
Proceeds from disposal of property, plant and equipment and intangible assets	-	3,951,421	-	-
Dividends received	-	-	69,313,102	36,372,121
Interest received	26,405,645	47,225,093	25,637,785	37,823,391
Proceeds from grants for investments in tangible assets	12,555,906	22,885,143	-	-
Proceeds from return of capital from equity accounted investees	25,501,834	22,950,501	25,501,834	22,950,501
Net Cash from investing activities (b)	**(12,950,244)**	**16,796,566**	**118,267,578**	**94,607,133**
Cash Flows from financing activities:				
Proceeds from borrowings	40,000,000	25,000,000	-	-
Repayment of borrowings	(32,697,264)	(146,008,397)	-	(100,000,000)
Dividends paid	(109,161,328)	(35,916,054)	(109,161,328)	(35,916,054)
Net Cash from financing activities (c)	**(101,858,592)**	**(156,924,451)**	**(109,161,328)**	**(135,916,054)**
Net increase / (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	**149,237,949**	**(12,679,014)**	**139,475,117**	**29,915,760**
Cash and cash equivalents at 1 January	154,002,901	166,681,917	99,497,481	69,581,721
Cash and cash equivalents at 31 December	**303,240,849**	**154,002,901**	**238,972,599**	**99,497,481**

The notes on pages 13 to 70 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Description of the Group

The Public Gas Corporation and its subsidiaries (the "Group") operate in Greece and their principal activity is the transmission, distribution and sale of natural gas.

The parent Company Public Gas Corporation (hereinafter referred to as "DEPA" or "Company") was established in Greece in 1988 as a state-owned Societe Anonyme for the purpose of trading natural gas in the Greek energy market. The Company is located at Iraklio Attikis, 92 Marinou Antipa Str., Athens, Greece.

According to article 3 of the Greek Law 2364/1995, amended by Law 2992/2002, the Parent Company of the Group, DEPA, was nominated as the Operator of the National System of Transmission of Natural Gas (E.S.F.A.). With this law, the scheduling, construction, ownership and operation of the National System of Transmission of Natural Gas was assigned to DEPA.

The construction of the main pipeline was completed in 1996, when, the first sales towards industrial clients started.

The National Natural Gas System Operator (DESFA A.E.) was established, following the provisions of article 7 of the law 3428/2005 on liberalization of the natural gas market. The sector of the National Natural Gas System was transferred from DEPA to DESFA A.E. by means of spin-off. With the new legal framework, DESFA A.E. takes over full control of the operation, management, exploitation and development of the E.S.F.A. The subsidiary's share capital was 100% covered by the Parent Company DEPA.

Based on the above, the assets and liabilities that relate to high pressure Transmission System, were transferred as of June 30, 2006 (date of spinoff) from DEPA to the newly formed entity, DESFA A.E.. The spin-off was completed with the Presidential Decrees 33/2007 and 34/2007 (Government Gazette A31/20.02.2007) and the establishment of DESFA A.E. on 30/3/2007.

In addition, article 21 of the same law, clarified that before the incorporation of DESFA A.E., the existing Gas Distribution Companies (EDA Thessaloniki A.E. and EDA Thessalia A.E.) would be merged with EDA Attiki A.E.. The merger was completed under the Ministerial Decree K2 18211/29.12.06, issued by the Greek Ministry of Development and the decision No 39478/29.12.06 by the prefect of Athens. The geographical boundaries of operation of the new subsidiary "EDA A.E." upon merger, consisted by the geographical area which was previously covered by the operations of the merged entities. By amending article 1 of the Articles of Association, EDA Attiki A.E., changed its legal name to EDA A.E..

According to article 32 of Law 2992/2002, the rights of use held by EDA companies were allowed to be transferred only to a Gas Supply Company (EPA A.E.). Therefore, for the distribution of gas to domestic, commercial and industrial consumers through medium and low pressure pipelines, owned by EDA A.E., three EPAs (EPA Attiki, EPA Thessaloniki and EPA Thessalia) operate in the geographical regions of Attica, Thessaloniki and Thessalia respectively.

The Board of Directors of DEPA and EDA A.E. decided to merge the 100% subsidiary EDA A.E. with the parent company DEPA, as of 31st March 2010. The merger was approved by the competent Prefecture on December 23, 2010.

The Company's supplies of natural gas are secured until 2026 from Russia, through the state owned gas company "GAZPROM EXPORT" and until 2021 from Turkey through the company "Botas". Liquefied natural gas (LNG) is mainly obtained from the Algerian state owned company "SONATRACH" under a long term agreement expiring in 2021.

Approval of Financial Statements

The annual financial statements for the year ended 31 December 2014 were approved by the Board of Directors on 24 April 2015. These are located on the website: www.depa.gr.

2. Basis of Preparation

2.1. General

The accompanying annual stand-alone and consolidated financial statements for the year ended 31 December 2014 ("financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) effective as of 31 December 2014, as adopted by the European Union.

The preparation of the financial statements based on the going concern principle is considered by the Board of Directors as fair, despite the risks and uncertainties faced from the macroeconomic environment as:

i) The Group and the Company are profitable,
ii) The level of cash funds have been improved,
iii) There is little dependence on external borrowings on Group level. The Company has no loans,
iv) There is positive working capital

As a result, the Group and the Company are able to collect their receivables and repay their liabilities.

The preparation of the financial statements, in accordance with IFRS, requires management of the Group to make certain estimates and judgments (Note 4) that affect the reported amounts of assets, liabilities and amounts of the Statement of Comprehensive Income, as well as related disclosures of contingent assets and liabilities at the reporting date. These estimates and judgments are based on past experience and other factors and data which are considered reasonable and revised on a regular basis. The effect of the revisions of the adopted estimates and judgments is recognized in the year that they are realized or/and in forthcoming fiscal years if these are also affected.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently for the preparation of these financial statements:

3.1 Basis of Consolidation

The annual consolidated financial statements as at 31 December 2014 include the financial statements of the Company, its subsidiaries, its jointly controlled entities and its associates.

Subsidiaries are entities that are controlled by the parent company, directly or indirectly, through possession of the majority of shares. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Due to the fact that EDA A.E. granted management of Gas Supply Companies (EPAs) to institutional investors who participate in their share capital by 49%, these companies were considered as jointly controlled entities for consolidation purposes, despite the fact that the Group holds 51% of their share capital.

The Group applies IFRS 11 since 1/1/2013, the scope of which is the accounting of arrangements under joint control. All joint ventures in which the Group has joint control are accounted for using the equity method. Details of all subsidiaries, joint ventures and associates and the Group's participation in them, are provided in note 16.

Associates are entities in which the Group has significant influence, but no control over their financial and operating policies. Significant influence is presumed to exist when the Group has the right to participate in the financial and operating policy decisions, without having the power to govern these policies. Investments in associates in which the Group has significant influence are accounted for using the equity method. According to this method, the investment is carried at cost, and is adjusted to recognize the investor's share of the profits or losses of the investee from the date that significant influence commences until the date that significant influence ceases and also for changes in the investee's net equity. Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Additionally, the carrying value of investments in associates is adjusted for accumulated impairment losses, if any.

The accounting policies of subsidiaries, jointly controlled entities and associates are amended, when necessary, so as to ensure consistency with those adopted by the Group. The reporting date of the financial statements of subsidiaries, jointly controlled entities and associates is the same with that of the parent company.

Investments in subsidiaries, associates and jointly controlled entities in the stand-alone financial statements of the parent company, are valued at cost less any accumulated impairment losses.

3.2 Functional and presentation currency and foreign currency translations

The Group's functional and presentation currency is Euro. Transactions in foreign currencies are translated into the respective functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

(All amounts are expressed in Euro, unless otherwise stated)

Foreign exchange gains and losses resulting from the settlement of such transactions and from valuation of monetary assets and liabilities denominated in foreign currencies at year end, are recognized in the statement of comprehensive income.

3.3 Property, plant and equipment

Property, plant and equipment are presented in the financial statements at cost less a) accumulated depreciation and b) any impairment losses.

The initial acquisition cost of property, plant and equipment includes the purchase price, any import tariffs and non-refundable purchase taxes, compensations due to expropriation and any costs necessary for the asset to become operational and ready for its intended use.

Subsequent expenditures incurred in relation to tangible assets are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group. Ongoing repair and maintenance is expensed as incurred.

Any gain or loss on disposal or retirement of an item of property, plant and equipment is recognized in profit and loss.

Depreciation is calculated on a straight-line basis in profit and loss over the estimated useful life of each item of property, plant and equipment. Land is not depreciated.

The estimated useful life, of property, plant and equipment, is as follows:

Buildings	1-20	years
Machinery and equipment	7-40	years
Motor vehicles	5-7	years
Fixtures and fittings	3-7	years

Residual values and useful lives are reviewed at each reporting date. When the carrying values of property, plant and equipment are in excess of their recoverable amounts, the differences (impairment), are recognized as expense in profit and loss. Gains or losses on disposal of property, plant and equipment are determined, by the difference between the sale proceeds and the carrying amount.

3.4 Intangible Assets

3.4.1 Rights of use

Group's intangible assets mainly relate to the rights of use of the natural gas pipeline network. These rights are recognized as intangible assets at the amounts paid to the beneficiaries for the use of the installed gas system. Rights of use for the natural gas pipeline are amortized on a straight-line basis in profit and loss, over their useful lives. The estimated useful life of these rights is 40 years.

It should be noted that DESFA has the right to use Revithousa Island, where the facilities of Liquefied Natural Gas (LNG) are located, for an indefinite period. The right of use has been granted by the Greek Government, free of charge, with the sole purpose of constructing and operating the LNG Facilities. The Decision No. 417/24-05-2013 of the Public Properties Company A.E. amended the terms of the 05/01/1990 Permission of use of the Revithousa island, and payment of consideration, of 200 thousand per year was required. The amount is adjusted annually at 100% of the CPI on the annual consideration of the previous year. The Company has commenced the procedures to acquire full ownership of the island from the Greek State.

3.4.2 Software

Software refer to the acquisition cost of software. Expenditures that improve or extend the efficiency of software programs are recognized as capital expenditures and increase their cost value.

Amortization of software is charged in the Statement of Comprehensive Income, under the straight-line method, over their useful lives. The estimated useful life is 1-3 years.

3.5 Impairment of non-financial assets

Property, plant and equipment, intangible assets and other non-current assets are tested for impairment whenever facts or changes in circumstances indicate that their carrying amounts may not be recoverable. When the carrying amount of any asset exceeds its recoverable amount, the respective impairment loss is recognized in profit and loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount recoverable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. If there is no ability to estimate the recoverable amount of an asset for which there is an indication of impairment, then the recoverable amount of the cash generating unit in which the asset is grouped, is used instead. For the assessment of impairment losses, the assets are grouped at the smallest possible cash generating units.

An impairment loss recorded in previous years is reversed only if there are sufficient indications that the impairment no longer exists or it has been reduced. In such situations the above mentioned reversal is recognized as income. For the year ended 31 December 2014 there was no impairment of the Group's non-financial assets.

3.6 Financial Assets

A financial instrument consists of every contract creating a financial asset in one party and a financial liability or equity instrument in another party. The financial instruments that are within the scope and regulated by provisions of IAS 39 are categorized according to their substance and their characteristics in the following four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Investments held to maturity
- Available for sale financial assets

The classification is based on the purpose for which they were acquired. Management determines the classification upon initial recognition and re-examines the classification at each reporting date.

a) Loans and receivables

Include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and there is no intention for their trading. Loans and receivables are included in current assets, except for those with maturity date over 12 months after the statement of financial position date. These assets are classified as non-current assets.

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses. The impairment losses (losses from doubtful accounts) are recognized only when there is objective evidence that the Group will not be able to collect amounts that are due, pursuant to the relative contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognized in profit and loss as an expense. Trade and other receivables include bills of exchange and notes receivable. Subsequent recovery of amounts for which a impairment had been recorded, are recognized to the profit and loss within other operating income.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, time deposits and short term deposits that are highly liquid and with an initial maturity of three months or less. Bank overdrafts, which are payable on demand and are inseparable part of the Group's management of its short-term commitments, are considered, for the purpose of the preparation of the cash flow statement, as cash and cash equivalents.

c) Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when there is a legal right to offset these amounts and there is an intention to settle on a net basis.

d) The financial assets are derecognized when the contractual rights to receive cash flows from the asset expires or the Group transfers all the risks and rewards of ownership of the assets.

For financial instruments that are measured at amortized cost, the impairment loss is the difference between their carrying amount and the present value of the estimated future cash flows, discounted with the effective interest rate of the financial instrument.

3.7 Inventories

Inventories, include mainly natural gas, materials used in the construction of the pipeline and spare parts used for its maintenance. Inventories are measured at the lower of acquisition or production cost and net realizable value. Inventory cost of the Company, is determined based on the moving average method which has no significant difference from the weighted average applicable to the Group and the cost of purchase includes all necessary expenses incurred in order to bring inventories to their current location and consists of the purchase cost of construction and maintenance materials of the natural gas pipeline and the purchase cost of natural gas.

3.8 Share Capital

Ordinary shares are classified as equity. Incremental costs attributable to the issue of ordinary shares are recognized as a deduction from retained earnings.

3.9 Loans and Borrowings

Borrowings are initially recognized at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the amount received (net of transaction costs) and the redemption value is recognized in the profit and loss over the period of the loan.

3.10 Income Tax

Current income tax is calculated in accordance with the tax laws enacted in Greece. Current income tax expense comprises the expected tax on the taxable income for the year and any adjustment included in tax statements, additional taxes arising from law provisions or tax audits by tax authorities and provisions for additional taxes and surcharges for unaudited periods. It is measured using tax rates enacted at the reporting date.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the deferred tax results from the initial recognition of an asset or a liability in a transaction other than a business combination, it affects neither accounting nor taxable profit or loss and, therefore, it is not taken into account.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses, and tax-free discount reserves from investment laws to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11 Employee Benefits

(a) Short term benefits

Short-term employee benefits are expensed as the related service is provided.

(b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays a fixed amount to a third party without any other legal or constructive obligation. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(c) Defined benefit plans

A defined benefit plan is any other pension plan other than a defined contribution plan. The liability that is recorded in the Statement of Financial Position is equal to the present value of the commitment for the benefit less the fair value of the plan's assets, changes that arise from non-recognized actuarial gains and losses and past service costs. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is based on high rated corporate bonds of Eurozone.

Actuarial gains and losses that arise from remeasurements of the net defined benefit liability due to change of actuarial assumptions, are recognized immediately in OCI. Past service costs and net interest expense are recognized immediately in profit and loss.

(d) Employment termination benefits

Employment termination benefits are paid when employees retire earlier than the normal date of retirement. Termination benefits are expensed when the Group can no longer withdraw the offer of those benefits or when it offers these benefits as an incentive for voluntary retirement. If benefits are not expected to be settled within 12 months of the reporting date, then they are discounted. In the case of employment termination under which the Group is not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for but are disclosed as contingent liability.

3.12 Government Grants

Government grants are initially recognized at fair value when there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred are recognized in profit and loss on a systematic basis in the periods in which the expenses are recognized. Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognized in profit and loss over the useful life of the asset.

3.13 Provisions and contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation, as a result of a past event and it is likely that an outflow of resources will be required to settle the obligation, and a reliable estimate of the liability amount can be made. Provisions are reviewed at each reporting date and are adjusted accordingly in order to reflect the present value of the expenditure to be disbursed when the liability is settled. Provisions that are expected to be utilized in the long-term, if the time value of money is significant, are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources that incorporate economic benefits is increased and the amount can be measured reliably. Contingent assets are not recognized in the financial statements, but are disclosed, where an inflow of economic benefits is probable.

3.14 Trade and other payables

Trade and other payables are recognized at cost which is equal to the fair value of future payments for the purchases of goods and services. Trade and other short-term liabilities are non-interest-bearing accounts and are usually settled within 60 days.

3.15 Revenue recognition

Revenue from rendering of services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. Revenue from sale of goods, is recognized when the significant risks and rewards of ownership have been transferred to the customer.

The Group's main categories of revenue are the following:

(a) Sale of Gas

The Group invoices its customers for gas supply (wholesale, retail, gas-powered vehicles, auctions) at each period-end. At year end, revenue is accrued, based on estimates relating to the settlement of issued bills of natural gas, in accordance with the signed agreements with the customers, and to retrospective settlements of differences in issued bills in case of price revisions, based on signed agreements with the suppliers.

(b) Gas transmission tariffs

The Group via DESFA provides transmission services, through the National Natural Gas System.

(c) Dividend Income

Dividend income is recognized in profit and loss on the date on which the Group's right to receive payment is established.

(d) Income from concession rights to use networks

They represent the right to use the gas pipeline network that was granted from DEPA to existing EPAs for a certain period. Revenue for DEPA is the amortization of the right which is based on the duration of the contract from the grant date until the expiration date with the corresponding EPA.

3.16 Interest Income

Interest income is recognized as it accrues using the effective interest rate method.

3.17 Expenses

3.17.1 Operating Leases

Group's lease arrangements are classified as operating leases, in which the lessor maintains substantially all the risks and rewards of ownership of the assets. Payments made under operating leases are recognized in profit and loss on a straight-line basis over the term of the lease. In case of an early termination of a lease contract, any payment made to the lessor as compensation, is recognised as an expense in the period the termination occurs.

3.17.2 Financing cost

Net financing cost relates to accrued interest expense on borrowings, measured using the effective interest rate method.

3.17.3 Recognition of Expenses

Expenses are recognized in the profit and loss on an accrual basis. Payments for operating leases are recognized in profit and loss over the term of the lease.

3.18 Earnings per share

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

4. Use of judgments and estimates

The preparation of financial statements in accordance with IFRS requires the Group's management to make estimates and judgments that affect the reported amount of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions are based on past experience and other factors and data which are considered reasonable and are reviewed on an ongoing basis. The effects of revisions to estimates are recognized in the period in which they take place or even in the following periods if the revision affects not only the present but also the following periods.

The Group's management makes estimates, assumptions and judgements, in order to select the most appropriate accounting principles in relation to future events and transactions. These estimates and assumptions are reviewed on an ongoing basis to reflect the current risks and are based on historical information in relation to the nature and materiality of the underlying transactions and events.

Critical accounting estimates and judgments of management

The significant estimates and judgements that refer to facts and circumstances the progress of which could materially affect the carrying amounts of assets and liabilities within the next 12 months are addressed below:

Impairment of trade receivables

The Group impairs the value of trade receivables when there is evidence or indications that the recovery of the whole or part of the receivable is not probable. Management of the Group periodically reassess the adequacy of accumulated bad debt provision in relation to its credit policy, taking into account data from the Group's legal department, resulting from processing of historical data and from recent developments in the cases they are handling.

Income Tax

The company is subject to income tax in accordance with Greek tax laws. Significant judgement is required in estimating the income tax provision. There are some transactions and calculations for which tax effect is uncertain. Where the final tax outcome of these transactions is different from the amounts initially recorded, such differences will impact the current income tax and income tax provisions of the period in which they occur.

Revenue recognition and accrued income

The Group makes estimates for unbilled revenue of natural gas consumption. At year end, accrued revenue is recognised including estimates relating to the settlement of issued bills of natural gas, in accordance with the signed agreements with the customers, and to retrospective settlements of differences in issued bills in case of price revisions.

The method of calculation is reviewed on an ongoing basis to ensure conformity of the accounting estimates recognized in the financial statements.

Estimated impairment of non-financial assets

Assets that have indefinite useful lives are not amortized but are annually tested for impairment when conditions indicate that their carrying value may not be recoverable. An impairment loss is recognized in cases where the carrying value of an asset exceeds its recoverable amount. The Group reassesses at each year end if the non-financial assets are impaired. The recoverable amount of assets that generate cash inflows is determined by estimating its value in use. Such calculations require the use of estimates.

Measurement of fair values

The Group's main financial instruments are cash, bank deposits, trade and other receivables and payables as well as bank loans. Due to the short term nature of these instruments, Group management believes that their fair value is essentially equal to their carrying amount with the exemption of bank loans the carrying amount of which is euro 275 million while their fair value is euro 258.6 million .

Obligations for defined benefit plans

The defined benefit obligations are determined based on an actuarial report which uses assumptions on the discount rate, the future increase of salaries and pensions as well as the yield of any plan assets. Any change in these assumptions will impact the amount of recognized obligations.

Provisions and contingent liabilities

The Group recognizes provisions when it considers that there is a present legal or constructive obligation, caused by past events and it is almost certain that its settlement will create an outflow of resources, the amount of which can be estimated reliably. Conversely, in cases where either the outflow is possible or cannot be estimated reliably, the Group does not recognize a provision but discloses the contingent liability, taking into account its significance. The estimate of the likelihood of the outflow and its amount are affected by factors outside the Group's control, such as court decisions, law implementation and the probability of default between counterparties when it comes to off-balance sheet items. The estimates, assumptions and criteria applied by the Group in making decisions which affect the preparation of the financial statements are based on historical data and assumptions which under present circumstances are considered reasonable. The estimates and criteria for making decisions are reassessed in order to take into account the current developments and the effects of any changes are recognized in the financial statements in the year they are incurred.

5. New standards, amendments to standards and interpretations

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2013 and 2014, after taking into account the following amendments to standards and Interpretations which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2014:

- **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements", **to International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities" and **to International Accounting Standard 27** "Separate Financial Statements": Investment Entities (Regulation 1174/20.11.2013)

  On 31.10.2012, the International Accounting Standards Board issued the above amendment which defines "investment entities" and introduces an exception for investment entities from consolidating particular subsidiaries. An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9. The above does not apply to subsidiaries that are not held for the purpose of obtaining returns from the investment, but for providing services that relate to the investment activities of the parent. However, a parent of an investment entity, that is not itself an investment entity, shall consolidate all entities that it controls, including those controlled through an investment entity subsidiary.

  The adoption of the above amendment by the Company had no impact on its financial statements.

- **Amendment to International Accounting Standard 32** "Financial Instruments: Presentation": Offsetting financial assets and financial liabilities (Regulation 1256/13.12.2012)

  On 16.12.2011, the International Accounting Standards Board issued an amendment to IAS 32 regarding offsetting of financial assets and financial liabilities. The amendment to IAS 32 relates to the addition of application guidance concerning the right to offset.

  The above amendment was adopted by the Company.

- **Amendment to International Accounting Standard 36** "Impairment of assets": Recoverable amount disclosures for non-financial assets (Regulation 1374/19.12.2013)

  On 29.5.2013, the International Accounting Standards Board issued an amendment to IAS 36 with which it removed the requirement, introduced following the issuance of IFRS 13, to disclose the recoverable amount of each cash generating unit to which a material amount of the carrying amount of goodwill or intangible assets with indefinite useful life has been allocated, regardless of whether an impairment loss had been recognized. Furthermore, the above amendment added the following disclosure requirements:

  - the recoverable amount of the asset (or cash-generating unit) for which an impairment loss has been recognized or reversed during the period,
  - if the recoverable amount is fair value less costs of disposal, the level of the fair value hierarchy,
  - for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy, a description of the valuation techniques and the key assumptions used for their determination, as well as the discount rate used if fair value less costs of disposal was calculated using a present value technique.

  The adoption of the above amendment by the Company had had no impact on its financial statements.

- **Amendment to International Accounting Standard 39** "Financial Instruments: Recognition and Measurement": Novation of derivatives and continuation of hedge accounting (Regulation 1375/19.12.2013)

  On 27.6.2013, the International Accounting Standards Board issued an amendment to IAS 39 which provides an exception to the requirement to discontinue hedge accounting when the hedging instrument expires or is sold, terminated or exercised. The exception is provided when the over-the-counter (OTC) derivative designated in a hedging relationship is novated to a central counterparty and at the same time the novation meets all the following conditions:

  - it arises as a result of laws or regulations,
  - it achieves the replacement of the previous counterparty with a central one which becomes the new counterparty to each of the parties and finally,
  - no changes are expected to the contract's initial terms other than changes directly attributable to the change in the counterparty (changes in the collateral requirements, rights to offset receivables and payables balances and charges levied).

  The adoption of the above amendment by the Company had no impact on its financial statements.

- **IFRIC Interpretation 21** "Levies" (Regulation 634/13.6.2014)

  On 20.5.2013, the International Accounting Standards Board issued IFRIC 21 "Levies" which addresses the accounting treatment of levies imposed by governments. According to IFRIC 21, a liability to pay a levy shall be recognized in the financial statements when the obligating event, that triggers the payment of the levy, occurs. The obligating event that triggers the payment of the levy is defined as the activity of the entity that triggers the liability in accordance with the relevant legislation.

  The adoption of IFRIC 21 had no impact on the financial statements of the Company.

  Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2014 and have not been early adopted by the Group.

- **Amendment to International Accounting Standard 19** "Employee Benefits": Defined benefit Plans: Employee Contributions (Regulation 2015/29/17.12.2014)

  Effective for annual periods beginning on or after 1.7.2014
  On 21.11.2013 the International Accounting Standards Board amended the requirements of IAS 19 for the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee's salary, a fixed amount throughout the service period or dependent on the employee's age. In accordance with this amendment, the entity is permitted to recognise such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognised) or to continue to attribute them to periods of service.

  The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Improvements to International Accounting Standards:**
  - **cycle 2010-2012** (Regulation 2015/28/17.12.2014)
  - **cycle 2011-2013** (Regulation 1361/18.12.2014)

  Effective for annual periods beginning on or after 1.7.2014

  As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non- urgent but necessary amendments to various standards.

The Company is evaluating the impact from the adoption of the above amendments on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards which have not yet been adopted by the European Union and they have not been early applied by the Group.

- **International Financial Reporting Standard 9** "Financial Instruments"

Effective for annual periods beginning on or after 1.1.2018

On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9: Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:

Classification and measurement

Financial instruments shall be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

I. The entity's business model for managing the financial assets and
II. The contractual cash flow characteristics of the financial assets.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognized in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognized directly in other comprehensive income.

Impairment

Contrary to the existing IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, 12-month expected credit losses shall be recognized.

Hedging

The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,

- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment of other standards and mainly of IFRS 7 where new disclosures were added.

The Company is evaluating the impact from the adoption of IFRS 9 on its financial statements.

- **Amendment to International Financial Reporting Standard 10** “Consolidated Financial Statements”, **to International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities” and **to International Accounting Standard 28** “Investments in Associates and Joint Ventures”: Investment Entities: Applying the Consolidation Exception

  Effective for annual periods beginning on or after 1.1.2016

  On 18.12.2014, the International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss.

  The adoption of the above amendment by the Company is not expected to have any impact on its financial statements.

- **Amendment to International Financial Reporting Standard 10** “Consolidated Financial Statements” and **to International Accounting Standard 28** “Investments in Associates and Joint Ventures”: Sale or contribution of assets between an investor and its associate or joint venture

  Effective for annual periods beginning on or after 1.1.2016

  On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognize to profit or loss only the part of the gain or loss which is related to the unrelated investor’s interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor’s interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

  In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognised.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Financial Reporting Standard 11** "Joint Arrangements": Accounting for acquisition of interests in joint operations

  Effective for annual periods beginning on or after 1.1.2016

  On 6.5.2014 the International Accounting Standards Board issued an amendment to IFRS 11 with which it is clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business (as defined in IFRS 3), it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11. In addition, it shall disclose the information required by IFRS 3 and other related standards. This applies both when acquiring the initial interest in the joint operation that constitutes a business and when acquiring an additional interest.

  The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **International Financial Reporting Standard 14** "Regulatory deferral accounts"

  Effective for annual periods beginning on or after 1.1.2016.

  On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.

  The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **International Financial Reporting Standard 15** "Revenue from Contracts with Customers"

  Effective for annual periods beginning on or after 1.1.2017

  IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned.

  The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

  According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:

  Step 1: Identify the contract(s) with a customer
  Step 2: Identify the performance obligations in the contract
  Step 3: Determine the transaction price
  Step 4: Allocate the transaction price to the performance obligations in the contract
  Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The new IFRS 15 supersedes:

(a) IAS 11 "Construction Contracts";
(b) IAS 18 "Revenue";
(c) IFRIC 13 "Customer Loyalty Programs";
(d) IFRIC 15 "Agreements for the Construction of Real Estate";
(e) IFRIC 18 "Transfers of Assets from Customers"; and
(f) SIC-31 "Revenue—Barter Transactions Involving Advertising Services".

The Company is evaluating the impact from the adoption of IFRS 15 on its financial statements.

- **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Disclosure Initiative

  Effective for annual periods beginning on or after 1.1.2016

  On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The main amendments are summarized below:
  - the restriction to disclose only a summary of significant accounting policies is removed;
  - it is clarified that even when other standards require specific disclosures as minimum requirements, an entity may not provide them if this is considered immaterial. In addition, in case the disclosures required by the IFRS are insufficient to enable users to understand the impact of particular transactions, the entity shall consider whether to provide additional disclosures;
  - it is clarified that the line items that IFRS require to be presented in the balance sheet and the statements of profit or loss and other comprehensive income are not restrictive and that the entity may present additional line items, headings and subtotals;
  - it is clarified that in the Statement of Comprehensive Income the share of other comprehensive income of associates and joint ventures accounted for using the equity method shall be separated into:
    - amounts that will not be reclassified subsequently to profit or loss and
    - amounts that will be reclassified subsequently to profit or loss;
  - it is clarified that the standard does not specify the presentation order of the notes and that each entity shall determine a systematic manner of presentation taking into account the understandability and comparability of its financial statements.

  The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 38** "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization

  Effective for annual periods beginning on or after 1.1.2016

  On 12.5.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 38 with which it expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively. An exception is provided only for intangible assets and only when the following conditions are met:

(a) when the intangible asset is expressed as a measure of revenue, ie when the right over the use of the intangible asset is expressed as a function of revenue to be generated in such a way that the generation of a specific amount of revenue determines the end of the right of use, or
(b) when it can be demonstrated that the revenue and the consumption of the economic benefits are highly correlated.

The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 41** "Agriculture": Bearer Plants

  Effective for annual periods beginning on or after 1.1.2016

  On 30.6.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants that:

  a) are used in the production or supply of agricultural produce;
  b) are expected to bear produce for more than one period; and
  c) have remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

  shall be accounted for based on IAS 16 instead of IAS 41.

  The above amendment does not apply to the activities of the Company.

- **Amendment to International Accounting Standard 27** "Separate Financial Statements": Equity Method in Separate Financial Statements

  Effective for annual periods beginning on or after 1.1.2016

  On 12.8.2014 the International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. In addition, with the above amendment it is clarified that the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which under IAS 28 are accounted for with the equity method, do not constitute separate financial statements.

  The Company is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Improvements to International Accounting Standards – cycle 2012-2014**

  Effective for annual periods beginning on or after 1.1.2016

  As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards.

  The Company and the Group are evaluating the impact from the adoption of the above amendments on its financial statements.

(All amounts are expressed in Euro, unless otherwise stated)

6. Revenue

Revenue of the group and the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Sale of gas-wholesale	1,045,829,609	1,509,514,521	1,120,425,843	1,553,555,537
Sale of gas-retail	202,743	59,141	202,743	59,141
Income from amortization of rights	38,049,340	37,378,528	38,049,340	37,378,528
Other services	409,631	145,330	409,631	144,630
Gas transit fees and other network services	3,538,348	6,381,687	-	-
Total	**1,088,029,671**	**1,553,479,207**	**1,159,087,557**	**1,591,137,836**

7. Administrative Expenses

Administrative expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Staff costs	7,825,488	8,359,215	3,465,731	3,877,376
Third party fees	9,623,425	9,922,393	5,025,760	5,194,175
Utilities	2,740,233	3,008,463	1,685,918	1,789,505
Taxes and duties	2,308,103	1,754,484	2,203,070	1,518,692
Other expenses	3,044,687	3,879,712	1,373,380	2,286,483
Interest expense and similar charges	1,164,162	2,062,753	-	-
Provision for staff compensations	274,657	317,070	(4,678)	71,181
Depreciation and amortization	216,565	205,322	109,387	140,349
Total	**27,197,320**	**29,509,412**	**13,858,568**	**14,877,761**

8. Distribution Expenses

Distribution expenses for the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Consumption-losses	2,145,045	1,460,177	2,145,045	1,460,177
Staff costs	676,647	598,964	631,515	541,290
Third party fees	1,441,051	1,486,076	1,346,395	1,425,009
Utilities	223,186	160,441	215,490	150,967
Taxes and duties	42,897	49,715	35,884	26,013
Other Expenses	5,713,943	3,045,098	5,538,815	2,836,745
Provision for staff compensations	11,976	469,229	9,735	467,132
Depreciation and amortization	120,503	129,051	119,792	128,064
Total	**10,375,248**	**7,398,751**	**10,042,671**	**7,035,397**

(All amounts are expressed in Euro, unless otherwise stated)

9. Other operating income/(expenses)

Other operating income and expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Other operating expenses	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Provision for other risks	-	(13,973,683)	-	(4,526,134)
Provision for prior years supplies	-	(17,769,685)	-	-
Other expenses	(2,919,851)	(2,288,678)	(2,308,017)	(1,342,831)
Prior year expenses	(3,098,871)	(8,976,105)	(1,275,822)	(3,618,110)
Provision for doubtful customers	-	(16,176)	-	(16,176)
Total other operating expense	**(6,018,722)**	**(43,024,326)**	**(3,583,839)**	**(9,503,252)**

	GROUP		COMPANY	
Other operating income	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Grants	-	8,202	-	-
Income from other activities	1,639,514	1,541,139	468,861	307,126
Other income	2,770,023	8,218,202	332,863	600,964
Release of provisions	2,317,110	6,415,770	1,460,556	4,822,982
Total other operating income	**6,726,647**	**16,183,313**	**2,262,280**	**5,731,072**
Other (expense)/income	**707,926**	**(26,841,013)**	**(1,321,559)**	**(3,772,180)**

10. Foreign currency translation differences gain / (losses)

Losses from foreign exchange differences of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Loss from foreign exchange differences	(9,381,188)	(7,968,353)	(9,404,303)	(7,891,208)
Gain from foreign exchange differences	4,850,417	10,357,866	4,849,280	10,350,599
Net losses on foreign exchange differences	**(4,530,771)**	**2,389,513**	**(4,555,023)**	**2,459,391**

11. Financial expenses and income

Financial expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Interest expense	(10,049,264)	(15,638,362)	-	(3,653,304)
Other financial expenses	(833,183)	(1,023,164)	(4,644,525)	(11,006,111)
Total financial expenses	**(10,882,447)**	**(16,661,526)**	**(4,644,525)**	**(14,659,415)**

(All amounts are expressed in Euro, unless otherwise stated)

Financial income of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Interest income and related income	27,801,452	40,597,541	27,049,499	41,274,597
Total financial income	**27,801,452**	**40,597,541**	**27,049,499**	**41,274,597**

12. Income tax

The income tax expense presented in the statement of comprehensive income of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Current income tax	(6,270,166)	(16,389,789)	(1,868,252)	-
Deferred tax	(8,377,505)	(15,707,577)	(5,304,271)	(12,114,259)
Total taxes recognized in the Statement of Comprehensive Income	**(14,647,671)**	**(32,097,365)**	**(7,172,523)**	**(12,114,259)**

	GROUP				COMPANY			
	%	31/12/2014	%	31/12/2013	%	31/12/2014	%	31/12/2013
Profit before tax		**97,357,509**		**178,798,619**		**84,005,216**		**156,470,333**
Tax using the Company's tax rate (2014: 26 %, 2013: 26%)	26%	(25,312,952)	26%	(46,487,641)	26%	(21,841,356)	26%	(40,682,287)
Non-deductible expenses	(2%)	2,028,754	2%	(3,502,871)	0%	(265,259)	1%	(1,121,890)
Tax-exempt income	(6%)	5,529,010	(4%)	7,400,317	(10%)	8,280,689	(8%)	12,655,755
Other taxes and tax provisions	0%	(85)	0%	(201)	-	-	-	-
Tax on reserves	(4%)	3,487,796	-	-	(4%)	3,487,796	-	-
Tax rate differences	-	-	(8%)	14,023,613	-	-	(9%)	13,588,769
Other	-	(380,194)	2%	(3,530,583)	(4%)	3,165,607	(2%)	3,445,393
Total tax in profit and loss	**15%**	**(14,647,671)**	**18%**	**(32,097,365)**	**9%**	**(7,172,523)**	**8%**	**(12,114,259)**

(All amounts are expressed in Euro, unless otherwise stated)

13. Depreciation and Amortization

Depreciation and amortization expenses for tangible and intangible assets charged to the profit and loss are allocated to:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cost of sales	77,355,531	72,552,159	22,817,347	22,308,753
Administrative expenses	216,565	205,322	109,387	140,349
Distribution expenses	120,503	129,051	119,792	128,064
Financial expenses	20,727	929	497	493
Total depreciation for the year	**77,713,326**	**72,887,461**	**23,047,023**	**22,577,659**
Less:				
Amortization of grants	(14,091,897)	(13,483,703)	(1,323,798)	(1,296,511)
Net result of depreciation and amortization in the profit and loss	**63,621,429**	**59,403,758**	**21,723,226**	**21,281,148**

(All amounts are expressed in EUR unless otherwise stated)

14. Property, plant and equipment

Property, plant and equipment of the Group and the Company are analyzed as follows:

	GROUP						
	Land	**Buildings and building installations**	**Machinery**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2013	**8,762,847**	**93,276,873**	**2,355,610,694**	**1,801,731**	**41,081,928**	**138,301,403**	**2,638,835,476**
Additions	-	328,218	28,266,261	35,663	266,264	74,433,603	103,330,009
Borrowing costs during construction period	-	-	-	-	-	3,146,013	3,146,013
Disposals	-	-	-	(64,862)	(10,160)	(10,662)	(85,684)
Transfers within property, plant and equipment	29,624	5,476,903	76,339,495	-	2,056,228	(83,902,250)	-
Balance as at 31/12/2013	**8,792,471**	**99,081,994**	**2,460,216,450**	**1,772,532**	**43,394,261**	**131,968,107**	**2,745,225,815**
Accumulated depreciation							
Balance as at 1/1/2013	**-**	**56,150,853**	**584,276,231**	**1,791,493**	**34,748,957**	**-**	**676,967,539**
Additions	**-**	4,517,281	65,421,319	6,864	2,128,538	-	72,074,003
Disposals	**-**	-	-	(64,862)	(9,030)	-	(73,892)
Balance as at 31/12/2013	**-**	**60,668,134**	**649,697,555**	**1,733,495**	**36,868,466**	**-**	**748,967,650**
Net Book Value							
Balance as at 1/1/2013	**8,762,847**	**37,126,020**	**1,771,334,458**	**10,239**	**6,332,971**	**138,301,403**	**1,961,867,938**
Balance as at 31/12/2013	**8,792,471**	**38,413,860**	**1,810,518,895**	**39,038**	**6,525,795**	**131,968,106**	**1,996,258,165**

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP						
	Land	**Buildings and building installations**	**Machinery**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2014	**8,792,471**	**99,081,994**	**2,460,216,450**	**1,772,532**	**43,394,261**	**131,968,107**	**2,745,225,815**
Additions	300,000	13,850	20,760,179	44,800	107,095	72,397,847	93,623,771
Borrowing costs during construction period	-	-	-	-	-	3,587,201	3,587,201
Disposals	-	-	-	-	(13,134)	-	(13,134)
Transfers within property, plant and equipment	43,285	1,403,525	29,737,527	-	32,491	(31,633,848)	(417,020)
Balance as at 31/12/2014	**9,135,756**	**100,499,369**	**2,510,714,156**	**1,817,332**	**43,520,713**	**176,319,307**	**2,842,006,633**
Accumulated depreciation							
Balance as at 1/1/2014		**60,668,134**	**649,697,555**	**1,733,495**	**36,868,466**	**-**	**748,967,650**
Additions	**-**	4,731,369	69,894,696	10,040	2,281,332	**-**	76,917,437
Disposals	**-**	-	-	-	(13,133)	-	(13,133)
Balance as at 31/12/2014	**-**	**65,399,503**	**719,592,251**	**1,743,535**	**39,136,665**	**-**	**825,871,954**
Net Book Value							
Balance as at 1/1/2014	**8,792,471**	**38,413,860**	**1,810,518,895**	**39,038**	**6,525,795**	**131,968,106**	**1,996,258,165**
Balance as at 31/12/2014	**9,135,756**	**35,099,866**	**1,791,121,905**	**73,797**	**4,384,048**	**176,319,307**	**2,016,134,679**

(All amounts are expressed in Euro, unless otherwise stated)

	COMPANY						
	Land	Buildings and building installations	Machinery	Vehicles	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2013	**1,339,341**	**7,637,571**	**835,451,987**	**97,831**	**5,757,696**	**21,617,455**	**871,901,881**
Additions	-	57,038	28,166,410	35,398	67,145	2,253,722	30,579,713
Disposals/ Write offs	-	-	-	-	-	(10,662)	(10,662)
Transfers within property, plant and equipment	-	-	996,223	-	-	(996,223)	-
Balance as at 31/12/2013	**1,339,341**	**7,694,609**	**864,614,621**	**133,229**	**5,824,841**	**22,864,291**	**902,470,932**
Accumulated depreciation							
Balance as at 1/1/2013	**-**	**5,527,737**	**142,980,078**	**93,903**	**4,476,698**	**-**	**153,078,416**
Additions	-	263,098	21,635,774	2,322	396,015	-	22,297,209
Balance as at 31/12/2013	**-**	**5,790,835**	**164,615,853**	**96,225**	**4,872,713**	**-**	**175,375,625**
Net Book Value							
Balance as at 1/1/2013	**1,339,341**	**2,109,834**	**692,471,909**	**3,928**	**1,280,998**	**21,617,455**	**718,823,466**
Balance as at 31/12/2013	**1,339,341**	**1,903,774**	**699,998,768**	**37,004**	**952,128**	**22,864,291**	**727,095,307**

(All amounts are expressed in Euro, unless otherwise stated)

	COMPANY						
	Land	Buildings and building installations	Machinery	Vehicles	Furniture and fixtures	Assets under construction	Total
Αξία κτήσεως							
Balance as at 1/1/2014	**1,339,341**	**7,694,609**	**864,614,621**	**133,229**	**5,824,841**	**22,864,291**	**902,470,932**
Additions	-	-	20,727,303	-	48,478	2,134,075	22,909,856
Transfers within property, plant and equipment	-	-	20,252,511	-	-	(20,252,511)	-
Balance as at 31/12/2014	**1,339,341**	**7,694,609**	**905,594,435**	**133,229**	**5,873,319**	**4,745,855**	**925,380,788**
Accumulated depreciation							
Balance as at 1/1/2014	**-**	**5,790,835**	**164,615,853**	**96,225**	**4,872,713**	**-**	**175,375,625**
Additions	-	236,895	22,261,286	5,947	284,359	-	22,788,487
Balance as at 31/12/2014	**-**	**6,027,730**	**186,877,139**	**102,172**	**5,157,072**	**-**	**198,164,112**
Net Book Value							
Balance as at 1/1/2014	**1,339,341**	**1,903,774**	**699,998,768**	**37,004**	**952,128**	**22,864,291**	**727,095,307**
Balance as at 31/12/2014	**1,339,341**	**1,666,879**	**718,717,296**	**31,057**	**716,247**	**4,745,855**	**727,216,675**

(All amounts are expressed in Euro, unless otherwise stated)

15. Intangible Assets

Intangible assets of the Group and the Company are analyzed as follows:

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2013	**2,970,002**	**32,310,562**	**35,280,564**	**869,870**	**4,665,557**	**5,535,427**
Additions	52,744	1,777,844	1,830,588	52,665	71,414	124,079
Disposals	-	(3,950,291)	(3,950,291)	-	-	-
Balance as at 31/12/2013	**3,022,746**	**30,138,115**	**33,160,861**	**922,535**	**4,736,971**	**5,659,506**
Accumulated depreciation						
Balance as at 1/1/2013	**2,817,149**	**11,814,979**	**14,632,128**	**735,718**	**1,354,534**	**2,090,252**
Additions	93,566	719,891	813,457	85,417	195,034	280,451
Disposals	-	(1,520,266)	(1,520,266)	-	-	-
Balance as at 31/12/2013	**2,910,715**	**11,014,605**	**13,925,320**	**821,135**	**1,549,568**	**2,370,702**
Net Book Value						
Balance as at 1/1/2013	**152,853**	**20,495,583**	**20,648,436**	**134,153**	**3,311,023**	**3,445,175**
Balance as at 31/12/2013	**112,031**	**19,123,510**	**19,235,541**	**101,400**	**3,187,403**	**3,288,803**

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2014	**3,022,746**	**30,138,115**	**33,160,861**	**922,535**	**4,736,971**	**5,659,506**
Additions	941,391	-	941,391	14,022	-	14,022
Transfers	417,020	-	417,020	-	-	-
Balance as at 31/12/2014	**4,381,157**	**30,138,115**	**34,519,272**	**936,557**	**4,736,971**	**5,673,528**
Accumulated depreciation						
Balance as at 1/1/2014	**2,910,715**	**11,014,605**	**13,925,320**	**821,135**	**1,549,568**	**2,370,702**
Additions	72,266	723,621	795,888	63,205	195,331	258,536
Disposals						
Balance as at 31/12/2014	**2,982,981**	**11,738,226**	**14,721,208**	**884,340**	**1,744,899**	**2,629,238**
Net Book Value						
Balance as at 1/1/2014	**112,031**	**19,123,510**	**19,235,541**	**101,400**	**3,187,403**	**3,288,803**
Balance as at 31/12/2014	**1,398,176**	**18,399,889**	**19,798,065**	**52,217**	**2,992,072**	**3,044,289**

(All amounts are expressed in EUR unless otherwise stated)

16. Investments in subsidiaries and associates

The Group consists of the following companies:

COMPANY	LOCATION	PRINCIPAL ACTIVITY	CONSOLIDATION METHOD	PARTICIPATION RELATIONSHIP	% PARTICIPATION 31.12.2014	% PARTICIPATION 31.12.2013
DEPA A.E.	Athens	Import, distribution and sale of Natural Gas	Full Consolidation	-	Parent	Parent
I. Subsidiaries						
DESFA A.E.	Athens	Operator of the national natural gas system	Full Consolidation	Direct	100.00%	100.00%
II. Jointly controlled entities						
EPA ATTIKI A.E	Athens	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
EPA THESSALONIKI A.E.	Thessaloniki	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
EPA THESSALIA A.E..	Thessalia	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
Y.A.F.A. POSEIDON A.E.	Athens	Construction & operation of underwater gas pipeline between Greece and Italy	Equity method	Direct	50.00%	50.00%
SOUTH STREAM NATURAL GAS PIPELINE A.E.	Athens	Development, financing, construction, operation & maintenance of south stream natural gas pipeline	Equity method	Indirect	50.00%	50.00%
ICGB AD	Sofia	Development, planning, financing, construction, management operation & maintenance of IGB natural gas pipeline	Equity method	Indirect	25.00%	25.00%

The consolidation method selected for the associates Y.A.F.A. Poseidon SA and SOUTH STREAM NATURAL GAS PIPELINE A.E. is the equity method as amounts were considered insignificant.

All of the above mentioned companies are incorporated in Greece except for ICGB AD which is incorporated in Bulgaria.

Reduction of share capital by cash return to the shareholders:

During 2013, upon decisions of the General Assembly of EPA Attica, there were two (2) share capital reduction amounting to € 10 mil. and € 50 mil. respectively, as follows:

(All amounts are expressed in Euro, unless otherwise stated)

a) According to the decision of the General Assembly No.30/14.2.2013, the share capital of EPA Attiki was reduced by € 10 million, while the repayment took place on March 2013.
b) According to No 33/01.10.2013 decision of the Extraordinary General Assembly of EPA Attiki, the share capital was reduced by € 50 million. Under the Board's approval on October 1, 2013 (Decision of the Board No 151 / 1.10.2013), an amount of € 35 mil. was returned to the shareholders, on October 4, 2013, while the remaining amount of € 15 mil. was repaid upon recommendation of the Board, on June 26, 2014.

On July 4, 2014, the Extraordinary General Assembly of the shareholders of EPA Thessaloniki decided to reduce the share capital of the company by the amount of € 35 million, by reducing the total number of shares to 202,850,000 of nominal value of one euro (Gazette 7932 / 31.07.2014). The payment of the share capital to shareholders, based on their participation rate (DEPA 51% and Eni Spa 49%), took place on September 24, 2014.

Investments in subsidiaries and associates of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Investments in subsidiaries				
DESFA	-	-	629,341,478	629,341,478
Investments in jointly controlled entities				
EPA Attiki A.E.	152,039,412	152,445,051	119,771,982	119,771,982
EPA Thessaloniki A.E.	115,976,895	135,307,537	113,186,960	131,036,960
EPA Thessalia A.E.	46,215,813	46,642,212	44,317,432	44,317,432
Cost value of investments in subsidiaries and jointly controlled entities	**314,232,120**	**334,394,800**	**906,617,851**	**924,467,851**
Investments in associates				
YAFA POSEIDON A.E.	8,194,708	8,816,354	13,200,000	13,200,000
SOUTH STREAM NATURAL GAS PIPELINE A.E.	313,757	322,909	-	-
Cost value of investments in associates	**8,508,465**	**9,139,263**	**13,200,000**	**13,200,000**

Summary of financial information for subsidiaries for the year 2014:

Name	Country of registration	Assets	Liabilities	Revenue	Profit (loss)	Participation percentage
Y.A.F.A. POSEIDON SA	GREECE	22,987,109	6,597,693	-	(1,243,291)	50%
SOUTH STREAM NATURAL GAS PIPELINE SA	GREECE	628,088	574	-	(18,305)	50%

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Opening Balance	9,139,263	9,830,567	13,200,000	13,200,000
Total Share of loss (after taxes)	(630,798)	(691,305)	-	-
Balance at end	8,508,465	9,139,263	13,200,000	13,200,000

Summary of Financial Information of jointly controlled entities for the year 2014:

	EPA Attiki A.E.		EPA Thessaloniki A.E.		EPA Thessalia A.E.	
	31/12/2014	31/12/22013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-current Assets	301,068,444	310,567,640	210,773,877	219,345,775	90,686,189	97,208,883
Cash and cash equivalents	35,677,001	41,894,135	24,909,444	31,342,182	15,466,852	13,586,276
Other Current Assets	40,835,525	40,777,644	37,230,503	63,453,378	22,198,769	20,137,139
Long Term Loans	(16,477,425)	-	-	-	-	-
Other Long Term Liabilities	(26,450,076)	(24,872,989)	(21,852,176)	(20,419,074)	(17,451,824)	(17,138,839)
Short- term loans	(5,560,000)	(19,992,267)	-	-	-	-
Other Current Liabilities	(30,976,974)	(49,462,298)	(23,662,056)	(28,419,449)	(20,280,825)	(22,338,222)
Total Equity	**298,116,495**	**298,911,864**	**227,399,592**	**265,302,812**	**90,619,161**	**91,455,236**
Group share in equity (51%)	152,039,413	152,445,051	115,973,792	135,304,434	46,215,772	46,642,170
Other adjustments	-	-	3,103	3,103	41	41
Cost value of jointly controlled companies	**152,039,413**	**152,445,051**	**115,976,895**	**135,307,537**	**46,215,813**	**46,642,212**
Revenue	157,359,872	171,002,180	127,272,493	140,934,411	67,585,250	71,989,390
Depreciation and amortization	(19,607,155)	(19,789,886)	(13,956,122)	(13,341,564)	(5,849,605)	(5,583,249)
Finance income	1,155,169	1,651,350	828,470	860,156	514,443	509,547
Finance costs	(1,584,829)	(1,058,104)	(162,558)	(156,941)	(224,176)	(287,268)
Income tax	(4,468,328)	(4,935,522)	(6,427,036)	(7,479,854)	(3,259,499)	(3,587,032)
Net profit for the period and other comprehensive income (100%)	**10,253,769**	**14,236,665**	**17,677,926**	**21,829,248**	**8,847,970**	**10,313,909**
Net profit for the period and other comprehensive income (51%)	**5,229,422**	**7,260,699**	**9,015,742**	**11,132,916**	**4,512,465**	**5,260,093**
Dividends to the Group	-	-	-	-	-	-

For the Company, the dividend income from investments in subsidiaries and jointly controlled entities is included in “Investment Income” in the statement of comprehensive income.

- **Y.A.F.A. POSEIDON A.E**

The Group owns 50% of the shares of the company Y.A.F.A. POSEIDON SA which was established on 12/6/08 between the parent company D.EP.A SA and the Dutch company Edison International Holding N.V. (100% subsidiary of Edison S.p.A. Italy), which owns the remaining 50% of the shares. Y.A.F.A. POSEIDON A.E, will design, construct and operate the underwater natural gas pipeline between Greece and Italy. On May 15, 2012 and on October 31, 2012, DEPA participated in the capital increase by a total amount of EUR 2,150,000. On October 23, 2014 the Extraordinary General

(All amounts are expressed in Euro, unless otherwise stated)

Assembly resolved to increase the share capital by EUR 1,500,000, and DEPA, based on its participation percentage, paid EUR 750,000 on February 19, 2015.

- **«SOUTH STREAM NATURAL GAS PIPELINE A.E.»**

The Group owns 50% of the shares in SOUTH STREAM NATURAL GAS PIPELINE A.E. which was established on 13/7/2010. The Operator of the national natural gas system (DESFA A.E.) and the company OAO GAZPROM participate in the share capital of the company with 50% each. The purpose of the company is: a) the development, financing, construction, management, operation and maintenance of South Stream natural gas pipeline, owned by the company, which will be located in Greece, and b) to provide supporting services and to conduct any relevant research regarding the aforementioned activities in (a).

- **«INTERCONNECTOR GREECE BULGARIA AD»**

The Group owns 25% of the shares of company INTERCONNECTOR GREECE BULGARIA AD which was incorporated on January 5, 2011. IGI Poseidon A.E. and the Bulgarian company Energy Holding EAD participated in the share capital of the company with 50% each. The purpose of the company is: a) the development, planning, finance, management, construction, operation and maintenance of IGB natural gas pipeline, owned by the company, b) the ownership of IGB's pipeline, c) the operation of IGB, the transfer capacity through the pipeline and to conclude transfer agreements for IGB, d) to sign contracts for the interconnection of pipelines on tangent points and the IGB installations. The registered share capital of "ICGB AD" was EUR 4,400,000 as at 31 December 2011, out of which EUR 4,000,000 is paid in full. According to the General Assembly of the Shareholder of ICGB AD decision held on October 25, 2011, the share capital increased by EUR 400,000 through the issuance of new shares. The share capital increase, was paid on January 23, 2012. The paid in share capital of "ICGB AD" was increased in 2013 by € 2,000,000 according to the December 19, 2012 decision of the General Assembly of the Shareholders. At 31 December 2013 the share capital amounted to € 6,400,004.

17. Other long-term receivables

Other long-term receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Other long-term receivables	430,718	49,059,564	167,176	48,911,742
Total	**430,718**	**49,059,564**	**167,176**	**48,911,742**

The amount of € 49 million in 2013 relates to a debt settlement with a major customer of the Company which expires in September 2015.

18. Deferred tax assets

In some cases revenues and expenses are recognized at a different time than when these revenues and expenses become eligible to be recognized as taxable income from the tax authorities. In these cases the recognition of deferred tax asset or liability is required.

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Deferred tax liabilities				
Untaxed reserves	(170,852)	(541,912)	(170,852)	(541,912)
Loans costs	(6,630)	(8,472)	-	-
Effect of exchange rate differences	(10,717)	(64,007)	(72)	(60,207)
Capitalization of borrowing costs	(3,065,256)	(3,065,256)	-	-
Revenue from EPA networks	(554,609)	(500,996)	(554,609)	(500,996)
Grants on tangible assets	1,607,327	828,709	-	-
	(2,200,737)	**(3,351,934)**	**(725,533)**	**(1,103,115)**
Deferred tax assets				
Provision for doubtful customers	17,559,621	17,559,620	17,559,621	17,559,620
Provision for inventory obsolescence	2,546,569	1,967,940	433,422	433,422
Employee benefits obligations	3,627,574	4,115,056	693,237	680,545
Defined Contribution Plans	(1,381,072)	(1,866,617)	(350,681)	(401,935)
Depreciation	(16,563,218)	(8,379,193)	(6,074,853)	(2,829,038)
Provisions for legal cases	1,136,165	1,509,595	1,136,165	1,509,595
Government grants on tangible assets	3,835,754	3,904,686	3,835,753	3,904,685
Other provisions	16,020,322	13,491,744	10,796,846	9,281,178
Tax losses carried forward	-	3,522,038	-	3,522,038
	26,781,715	**35,824,869**	**28,029,510**	**33,660,110**
Net deferred tax assets in the statement of financial position	**24,580,976**	**32,472,935**	**27,303,978**	**32,556,996**

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP			
	31/12/2012	**Debits (Credits) in profit and loss**	**Debits (Credits) in equity**	**31/12/2013**
Deferred tax liabilities				
Untaxed reserves	(468,249)	(73,663)	-	(541,912)
Loan costs	(10,271)	1,799	-	(8,472)
Effect of exchange rate differences	(17,877)	(46,130)	-	(64,007)
Capitalization of borrowing costs	(1,873,618)	(1,191,638)	-	(3,065,256)
Revenue from EPA networks	(348,763)	(152,233)	-	(500,996)
Grants on tangible assets	(28,015)	856,724	-	828,709
	(2,746,793)	**(605,141)**	**-**	**(3,351,934)**
Deferred tax assets				
Provision for doubtful customers	13,504,165	4,055,455	-	17,559,620
Provision for inventory obsolescence	1,758,900	209,040	-	1,967,940
Employee benefits obligations	3,659,677	455,379	-	4,115,056
Defined Contribution Plans	(1,693,165)	-	(173,452)	(1,866,617)
Depreciation	256,826	(8,636,019)	-	(8,379,193)
Provisions for legal cases	485,727	1,023,868	-	1,509,595
Government grants on tangible assets	3,059,738	844,948	-	3,904,686
Other provisions	16,316,147	(2,824,403)	-	13,491,744
Tax losses carried forward	13,752,743	(10,230,705)		3,522,038
	51,100,758	**(15,102,437)**	**(173,452)**	**35,824,869**
Net deferred tax assets in the statement of financial position	**48,353,965**	**(15,707,578)**	**(173,452)**	**32,472,935**

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP			
	31/12/2013	Debits (Credits) in profit and loss	Debits (Credits) in equity	31/12/2014
Deferred tax liabilities				
Untaxed reserves	(541,912)	371,060	-	(170,852)
Loan costs	(8,472)	1,842	-	(6,630)
Effect of exchange rate differences	(64,007)	53,289	-	(10,717)
Capitalization of borrowing costs	(3,065,256)	-	-	(3,065,256)
Revenue from EPA networks	(500,996)	(53,613)	-	(554,609)
Grants on tangible assets	828,709	778,618	-	1,607,327
Other adjustments	-	-	-	-
	(3,351,934)	**1,151,196**	**-**	**(2,200,737)**
Deferred tax assets				
Provision for doubtful customers	17,559,620	-	-	17,559,621
Provision for inventory obsolescence	1,967,940	578,629	-	2,546,569
Employee benefits obligations	4,115,056	(487,482)	-	3,627,574
Defined Contribution Plans	(1,866,617)	-	485,545	(1,381,072)
Depreciation	(8,379,193)	(8,184,025)	-	(16,563,218)
Provisions for legal cases	1,509,595	(373,430)	-	1,136,165
Government grants on tangible assets	3,904,686	(68,932)	-	3,835,754
Other provisions	13,491,744	2,528,578	-	16,020,322
Tax losses carried forward	3,522,038	(3,522,038)	-	-
	35,824,869	**(9,528,700)**	**485,545**	**26,781,715**
Net deferred tax assets in the statement of financial position	**32,472,935**	**(8,377,504)**	**485,545**	**24,580,976**

(All amounts are expressed in Euro, unless otherwise stated)

	COMPANY			
	31/12/2012	Debits (Credits) in profit and loss	Debits (Credits) in equity	31/12/2013
Deferred tax liabilities				
Untaxed reserves	(468,250)	(73,663)	-	(541,912)
Effect of exchange rate differences	(364)	(59,843)	-	(60,207)
Revenue from EPA networks	(348,763)	(152,233)	-	(500,996)
	(817,377)	**(285,739)**	**-**	**(1,103,115)**
Deferred tax assets				
Provision for doubtful customers	13,504,165	4,055,455	-	17,559,620
Provision for inventory obsolescence	333,402	100,020	-	433,422
Employee benefits obligations	536,857	143,687	-	680,545
Defined Contribution Plans	(296,159)	-	(105,777)	(401,935)
Depreciation	262,752	(3,091,789)	-	(2,829,038)
Provisions for legal cases	485,727	1,023,868	-	1,509,595
Government grants on tangible assets	3,059,738	844,948	-	3,904,685
Other provisions	13,955,184	(4,674,005)	-	9,281,178
Tax losses carried forward	13,752,743	(10,230,705)	-	3,522,038
Financial assets available for sale	-	-	-	-
	45,594,409	**(11,828,521)**	**(105,777)**	**33,660,110**
Net deferred tax assets in the statement of financial position	**44,777,032**	**(12,114,260)**	**(105,777)**	**32,556,996**

(All amounts are expressed in Euro, unless otherwise stated)

	COMPANY			
	31/12/2013	Debits (Credits) in profit and loss	Debits (Credits) in equity	31/12/2014
Deferred tax liabilities				
Untaxed reserves	(541,912)	371,060	-	(170,852)
Effect of exchange rate differences	(60,207)	60,136	-	(72)
Revenue from EPA networks	(500,995)	(53,613)	-	(554,609)
	(1,103,115)	**377,583**		**(725,533)**
Deferred tax assets				
Provision for doubtful customers	17,559,620	-	-	17,559,621
Provision for inventory obsolescence	433,422	-	-	433,422
Employee benefits obligations	680,545	12,692	-	693,237
Defined Contribution Plans	(401,935)	-	51,254	(350,681)
Depreciation	(2,829,038)	(3,245,815)	-	(6,074,853)
Provisions for legal cases	1,509,595	(373,430)	-	1,136,165
Government grants on tangible assets	3,904,685	(68,932)	-	3,835,753
Other provisions	9,281,178	1,515,668	-	10,796,846
Tax losses carried forward	3,522,038	(3,522,038)	-	-
	33,660,110	**(5,681,855)**	**51,254**	**28,029,510**
Net deferred tax assets in the statement of financial position	**32,556,996**	**(5,304,272)**	**51,254**	**27,303,978**

19. Inventories

Inventories of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Natural Gas	30,241,510	37,071,983	17,051,239	21,596,977
Construction and maintenance materials of the Natural Gas Pipeline	22,903,130	32,582,197	4,168,974	4,832,187
Total	**53,144,640**	**69,654,180**	**21,220,213**	**26,429,164**
Less: Provision for obsolescence	(9,794,497)	(9,794,497)	(1,667,008)	(1,667,008)
Total	**43,350,143**	**59,859,683**	**19,553,205**	**24,762,156**

In 2014, inventories included in cost of sales amount to € 812,411,282 (2013: € 1,118,777,049) for the Group and € 969,332,804 (2013: € 1,309,930,453) for the Company.

As at 31 December 2014 the Group's subsidiary DESFA A.E. has made a provision for obsolete construction and maintenance materials of the natural gas pipeline of € 8,127,489. The parent company of the Group, DEPA SA, has made a provision for obsolete construction and maintenance materials of the natural gas pipeline of € 1,667,008 as at 31 December 2014.

20. Cash and cash equivalents

Cash and cash equivalents represent cash in hand and bank deposits available on demand. In particular:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cash on hand	2,017,454	9,069	2,010,107	6,528
Sight deposits	7,045,313	11,670,553	5,039,019	929,188
Time deposits	294,178,082	142,323,280	231,923,473	98,561,764
Balance	**303,240,849**	**154,002,901**	**238,972,599**	**99,497,481**

The Group's time deposits at 31.12.14 amount to € 294,178,082 (2013: € 142,323,280), part of which is belong to DEPA A.E. (€ 231,923,472) and the remaining amount to DESFA A.E.. All of the Group's sight deposits are in Euro, except for one denominated in USD 2,037.72 (EUR: 1,678.29).

(All amounts are expressed in Euro, unless otherwise stated)

21. Trade and Other Receivables

Trade and other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade Debtors	240,946,118	367,022,364	226,003,971	354,343,365
Notes Receivable	11,700,000	15,600,000	11,700,000	15,600,000
Notes Receivable Overdue	8,000,000	4,100,000	8,000,000	4,100,000
Cheques Receivable	1,037,800	20,027	1,037,800	20,027
Cheques Receivable Overdue	1,230,346	1,230,346	1,230,346	1,230,346
Short-term receivables from subsidiaries	572,899	2,099,705	25,459,140	32,622,310
Short-term receivables from associated companies	9,605,170	2,143,226	9,605,170	2,143,226
Trade Receivables	**273,092,333**	**392,215,668**	**283,036,427**	**410,059,274**
Tax receivable from the Greek State	44,519,520	40,968,446	44,519,520	40,968,446
Various debtors	38,312,353	20,833,626	1,936,156	1,999,961
Advances	70,783	62,659	21,676	21,477
edged deposits	8,236,614	7,251,106	8,236,614	7,251,106
Prepaid expenses	816,217	1,380,936	232,596	261,360
Other prepayments and accrued income	133,007,689	141,560,962	135,467,815	146,409,157
Other receivables from subsidiaries	-	7,651,834	-	45,151,834
	224,963,176	**219,709,569**	**190,414,377**	**242,063,341**
Total	**498,055,509**	**611,925,237**	**473,450,804**	**652,122,615**
Less: Provisions	(76,791,455)	(76,791,455)	(76,791,455)	(76,791,455)
Balance	**421,264,055**	**535,133,781**	**396,659,348**	**575,331,159**

Tax receivable from the Greek state mainly include withholding taxes from dividends received from Group companies.

The carrying values of trade and other receivables approximate their fair value at the date of the statement of financial position and no discounting is required.

(All amounts are expressed in Euro, unless otherwise stated)

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Trade Debtors (excluding related parties)	240,946,118	367,022,364	226,003,971	354,343,365
Notes receivable	11,700,000	15,600,000	11,700,000	15,600,000
Notes receivable overdue	8,000,000	4,100,000	8,000,000	4,100,000
Cheques receivable	1,037,800	20,027	1,037,800	20,027
Cheques receivable overdue	1,230,346	1,230,346	1,230,346	1,230,346
Total trade receivables	**262,914,264**	**387,972,737**	**247,972,117**	**375,293,738**

Analysis of trade receivables				
Performing	86,278,772	76,066,701	71,336,626	63,387,703
Past due- not impaired - (up to 30 days)	32,101,919	67,378,749	32,101,919	67,378,749
Past due- not impaired - (up to 60 days)	18,397,443	44,818,739	18,397,443	44,818,739
Past due- not impaired - (up to 90 days)	4,997,536	45,098,905	4,997,536	45,098,905
Past due- not impaired - (up to 180 days)	15,205,836	60,467,707	15,205,836	60,467,707
Past due- not impaired - (over 180 days)	29,141,303	17,350,480	29,141,302	17,350,480
Impaired	76,791,455	76,791,455	76,791,455	76,791,455
Total of trade receivables	**262,914,264**	**387,972,737**	**247,972,117**	**375,293,738**

Past due receivable are those for which the credit period of the 20 days has elapsed. Receivables are considered to be impaired, whether past due or not, when there is objective evidence that the Company will not collect part of it and therefore there is a need to form a provision.

During the reporting period, the Group did not provide for further impairment of trade receivables. The movement of the impairment for receivables is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Balance at 1 January	**76,791,455**	**79,763,200**	**76,791,455**	**79,763,200**
Charge for the year	-	507,478	-	507,478
Utilization of provision	-	(555,011)	-	(555,011)
Unused provision	-	(2,924,211)	-	(2,924,211)
Balance at 31 December	**76,791,455**	**76,791,455**	**76,791,455**	**76,791,455**

Impairment of receivables is performed:

a) By the Parent Company, for the total amount of trade receivables that are overdue for more than 6 months from the agreed payment date and the amount is considered to be doubtful.
b) By the subsidiary DESFA A.E., when there is objective evidence that it will not collect outstanding amounts according to the agreed terms.
c) In order to secure its receivables, the Company has received letters of guarantee from customers amounting to € 138 million.

(All amounts are expressed in Euro, unless otherwise stated)

22. Share Capital

At 31 December 2014 the Company's share capital amounted to EUR 991,238,046 (2013: EUR 991,238,046) divided into 11,258,951 (2013: 11,258,951) ordinary shares of nominal value EUR 88.04 each.

According to the Shareholders Register of the Company, as at 31 December 2014, its shareholders were the following:

SHAREHOLDER	NO OF SHARES	PARTICIPATION PERCENTAGE AS AT 31/12/2014
GREEK STATE (H.R.A.D.F.)	7,318,318	65.00%
HELLENIC PETROLEUM A.E.	3,940,633	35.00%
TOTAL	**11,258,951**	**100.00%**

(All amounts are expressed in EUR unless otherwise stated)

23. Reserves

Reserves for the Group and Company are analyzed as follows:

GROUP

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Available for sale reserve	Total
Balance as at 1 January 2013	41,265,084	461,086	81,739,293	2,781,243	36,438	126,283,143
Transfer to reserves	7,690,000	-	(362,598)	362,598	(39,821)	7,650,179
Balance at 31 December 2013	**48,955,084**	**461,086**	**81,376,695**	**3,143,841**	**(3,383)**	**133,933,322**
Balance as at 1 January 2014	48,955,084	461,086	81,376,695	3,143,841	(3,383)	133,933,322
Transfer to reserves	4,857,000	-	-	(1,683,899)	8,397	3,181,498
Balance at 31 December 2014	**53,812,084**	**461,086**	**81,376,695**	**1,459,942**	**5,014**	**137,114,820**

COMPANY

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Total
Balance as at 1 January 2013	26,467,584	12,228	81,739,293	2,825,363	111,044,468
Transfer to reserves	5,790,000	-	(362,598)	362,598	5,790,000
Balance at 31 December 2013	**32,257,584**	**12,228**	**81,376,695**	**3,187,961**	**116,834,468**
Balance as at 1 January 2014	32,257,584	12,228	81,376,695	3,187,961	116,834,468
Transfer to reserves	3,842,000	-	-	(1,683,899)	2,158,101
Balance at 31 December 2014	**36,099,584**	**12,228**	**81,376,695**	**1,504,062**	**118,992,569**

According to the provisions of Greek corporate legislation, companies are required to transfer a minimum of 5% of their annual net profit to a statutory reserve until the reserve equals one third (1/3) of the paid-in share capital. This reserve cannot be distributed unless the company dissolves, but it can be used to offset accumulated losses.

The remaining reserves were created according to special provisions of various tax laws, which either allow the payment of income tax at the time of the distribution to the shareholders or offer tax relief as investment incentive, or according to decision of the General shareholders meeting.

In case of distribution or capitalization of the untaxed reserves, created in accordance with the provisions of L. 2238/1994, a tax of 15% was imposed by L. 4172/2013 in case of distribution or capitalization up to 31.12.2013. Distribution or capitalization of such reserves in 2014, will lead to a 19% tax and if they are not distributed or capitalized in 2014, these reserves should be offset against accumulated tax losses. From January 1, 2015, formation of untaxed reserves of L. 2238/1994 is annulled. On December 23, 2014, the Extraordinary General Assembly of the Shareholders approved the distribution of untaxed reserves of L.2238 / 1994, of EUR 2.204.729,07 in accordance with the provisions of Article 72 of L.4172 / 2013, after deduction of tax, at the rate of 19% amounting to EUR 418.898,52.

24. Dividends and earnings per share

According to the provisions of Greek corporate legislation, Societe Anonymes are required to distribute each year, as a dividend, an amount that equals to 35% of the profits after taxes and after the formation of the statutory reserve. According to article 30 of Law 2579/98, from 1997 and thereafter, companies and organizations whose exclusive shareholder or shareholder with over 60% of its share capital is the Greek State, either directly or through another company or organization whose exclusive or major shareholder is the Greek State and operate as a Societe Anonyme, are required to distribute the whole dividend as determined by the company’s articles of association or by law provisions.

On April 24, 2015, the Company’s Board of Directors, proposed the distribution of 2014 profits after tax amounting to EURO 50,102,331.95 (EURO 4.45 per share). The proposal is subject to the approval of the annual General Assembly of the shareholders.

Earnings per share

The calculation of basic earnings per share is as follows:

	GROUP		COMPANY	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
Net earnings attributable to shareholders	82,709,838	146,701,254	76,832,693	144,356,074
Weighted average number of shares outstanding	11,258,951	11,258,951	11,258,951	11,258,951
Basic and diluted earnings per share (in euro per share)	**7.35**	**13.03**	**6.82**	**12.82**

25. Loans and Borrowings

Group’s borrowings were granted by Greek and foreign banks and are denominated in EUR. Amounts payable within a year from the date of the statement of financial position are classified as current, while amounts payable after one year are classified as long-term. The Group accrues for interest that is recognized in the period’s profit and loss. The borrowings of the Group by bank, are analyzed as follows:

(All amounts are expressed in Euro, unless otherwise stated)

Amounts in EURO	GROUP					
	31/12/2014		31/12/2013			
Bank	**Short term liabilities**	**Long term liabilities**	**Short term liabilities**	**Long term liabilities**	**Time of repayment of long term liabilities**	**Interest Rate**
EUROPEAN INVESTMENT BANK (1)	4,000,000	4,000,000	4,000,000	8,000,000	25/10/2016	4.57%
EUROPEAN INVESTMENT BANK (2)	4,000,000	4,000,000	4,000,000	8,000,000	25/10/2016	4.52%
EUROPEAN INVESTMENT BANK (3)	5,000,000	7,500,000	5,000,000	12,500,000	25/04/2017	4.52%
EUROPEAN INVESTMENT BANK (4)	7,000,000	21,000,000	7,000,000	28,000,000	15/05/2018	5.55%
EUROPEAN INVESTMENT BANK (5)	545,455	8,727,273	545,455	9,272,727	17/07/2031	4.48%
EUROPEAN INVESTMENT BANK (6)	1,083,333	6,500,000	1,083,333	7,583,333	17/07/2021	4.33%
EUROPEAN INVESTMENT BANK (7)	833,333	5,833,333	833,333	6,666,667	10/07/2022	4.89%
EUROPEAN INVESTMENT BANK (8)	454,545	7,727,273	454,545	8,181,818	10/07/2032	4.98%
EUROPEAN INVESTMENT BANK (9)	1,304,348	22,826,087	1,304,348	24,130,435	31/01/2033	4.62%
EUROPEAN INVESTMENT BANK (10)	1,400,000	27,300,000	1,400,000	28,700,000	31/05/2035	3.88%
EUROPEAN INVESTMENT BANK (11)	-	30,000,000	-	30,000,000	20/12/2032	3.26%
EUROPEAN INVESTMENT BANK (12)	-	25,000,000	-	25,000,000	21/10/2033	3.66%
EUROPEAN INVESTMENT BANK (13)	-	40,000,000	-	-	16/12/2029	1.92%
NATIONAL BANK	7,076,250	31,844,896	7,076,250	38,921,146	19/03/2020	4.98%
Total Loan Liabilities	**32,697,264**	**242,258,862**	**32,697,264**	**234,956,126**		

Notes to the aforementioned borrowings:

All borrowings relate to DESFA SA.

- The loan from the European Investment Bank (1) amounting to EUR 40,000,000 was issued on 12/11/1996 and matures on 25/10/2016. The principal is scheduled to be repaid annually during the period 25/10/2007 to 25/10/2016. The annual instalment amounts to EUR 4,000,000.
- The loan from the European Investment Bank (2) amounting to EUR 40,000,000 was issued on 18/12/1996 and matures on 25/10/2016. The principal is scheduled to be repaid semi-annually during the period 25/4/2007 to 25/10/2016. The annual instalment amounts to EUR 4,000,000.
- The loan from the European Investment Bank (3) amounting to EUR 50,000,000 was issued on 24/9/1997 and matures on 25/4/2017. The principal is scheduled to be repaid semi-annually during the period 25/10/2007 to 25/04/2017. The annual instalment amounts to EUR 5,000,000.
- The loan from the European Investment Bank (4) amounting to EUR 70,000,000 was issued on 15/6/1998 and matures on 15/5/2018. The principal is scheduled to be repaid annually during the period 15/5/2009 to 15/5/2018. The annual instalment amounts to EUR 7,000,000.
- The loan from the European Investment Bank (5) amounting to EUR 12,000,000 was issued on 17/7/2006 and matures on 17/7/2031. The principal is scheduled to be repaid annually during the period 17/7/2010 to 17/7/2031. The annual instalment amounts to EUR 545,455.
- The loan from the European Investment Bank (6) amounting to EUR 13,000,000 was issued on 17/7/2006 and matures on 17/7/2021. The principal is scheduled to be repaid annually during the period 17/7/2010 to 17/7/2021. The annual instalment amounts to EUR 1,083,333.
- The loan from the European Investment Bank (7) amounting to EUR 10,000,000 is an extension of

the above mentioned loan (6), and it was issued on 10/7/2007 and matures on 10/7/2022. The principal is scheduled to be repaid annually during the period 10/7/2011 to 10/7/2022. The annual instalment amounts to EUR 833,333.

- The loan from the European Investment Bank (8) amounting to EUR 10,000,000 is an extension of the above mentioned loan (5), and it was issued on 10/7/2007 and matures on 10/7/2032. The principal is scheduled to be repaid annually during the period 10/7/2011 to 10/7/2032. The annual instalment amounts to EUR 454,545.
- The loan from the European Investment Bank (9) amounting to EUR 30,000,000 was issued on 31/1/2008 and matures on 31/1/2033. The principal is scheduled to be repaid semi-annually during the period 31/7/2010 to 31/1/2033. The annual instalment, amounts to EUR 1,304,348.
- The loan from the European Investment Bank (10) amounting to EUR 35,000,000 was issued on 31/5/2010 and matures in 31/5/2035. The principal is scheduled to be paid semi-annually during the period 30/11/2010 to 31/5/2035. The annual instalment amounts to EUR 1,400,000.
- The loan from the European Investment Bank (11) amounting to EUR 30,000,000 was issued on 19/12/2012 and matures on 20/12/2032. The principal is scheduled to be repaid semi-annually during the period 19/6/2017 to 20/12/2032. The annual installment amounts to EUR 1,875,000.
- The loan from the European Investment Bank (12) amounting to EUR 25,000,000 was issued on 21/10/2013 and matures on 21/10/2033. The principal is scheduled to be repaid semi-annually during the period 21/04/2018 to 21/10/2033. The annual installment amounts to EUR 1,562,000.
- The loan from the European Investment Bank (13) amounting to EUR 40,000,000 was issued on 16/12/2014 and matures on 17/12/2029. The principal is scheduled to be repaid semi-annually during the period 17/06/2019 to 17/12/2029. The annual installment amounts to EUR 3,636,000.
- The loan from the National Bank of Greece amounting to EUR 85,000,000 was issued on 18/3/2008 and matures on 19/3/2020. The principal is scheduled to be repaid semi-annually during the period 19/03/2009 to 19/3/2020. The annual instalment amounts to EUR 7,076,250.
- On 17/10/2012 DESFA signed the factoring agreement with recourse No 577/17/10/2012 and the supplementary agreement of Pledged Receivable with NBG Factors with a maximum discount limit of EUR 15,000,000.

The above mentioned loans include covenants concerning the fulfillment of financial obligations and information on the work in progress. These covenants have not been breached during 2014.

26. Employee Benefits

The obligation of the Group towards employees working in Greece for future benefits depends on the years of service of each employee, it is accounted for and presented on the basis of the employees' expected benefit payable at the reporting date, discounted at its present value, in relation to its future time of payment. Accrued benefits for each period are charged to profit and loss and increase the benefits liability. On the other hand benefits that are paid to employees that retire reduce this liability.

In 2014, the discount rate was set at 1.50% (2013: 3.20%) in order to reflect the rate of corporate bonds in the Eurozone. Specifically, for the year ended 31 December 2014, the discount rate used was the yield of the iBoxx AA-rated Euro corporate bond 10+.

The obligation of the Company to retired personnel was determined by an actuarial report that was prepared by an independent company of certified actuaries.

Since 2012, the Company pays part of the retirement liability through an insurance plan.

(All amounts are expressed in Euro, unless otherwise stated)

Number of employees and payroll expenses:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Number of employees	**284**	**291**	**56**	**56**
Payroll expense analysis:				
Staff costs	14,412,272	14,814,096	4,056,237	4,248,692
Retirement benefits expense	501,152	739,950	-	31,739
Social security contributions	3,240,614	3,488,601	752,842	785,259
Cost	**18,154,038**	**19,042,647**	**4,809,079**	**5,065,690**
Defined benefit obligation	705,737	802,334	(48,816)	66,810
Total cost	**18,859,775**	**19,844,981**	**4,760,263**	**5,132,500**

Furthermore, the Group receives services from rented personnel.

(All amounts are expressed in Euro, unless otherwise stated)

The movement in the net liability is as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Amounts recognized in the balance sheet				
Present value of liability	12,826,905	10,657,209	1,317,515	1,071,568
Net liability in the balance sheet	**12,826,905**	**10,657,209**	**1,317,515**	**1,071,568**
Amounts recognized in the income statement				
Service cost	486,002	506,998	15,906	17,307
Interest expense	317,367	277,193	32,910	31,360
Curtailment/settlement cost recognized	-	40,845	-	40,845
Total expenditure that was recognized in the income statement	**803,369**	**825,036**	**48,816**	**89,512**
Changes in present value of liability				
Present value of liability at the beginning of the year	10,657,209	11,022,107	1,071,568	1,203,492
Service cost	486,002	506,998	15,906	17,307
Interest cost	317,367	277,193	32,910	31,360
Benefits paid	(501,152)	(864,533)	-	(156,322)
Curtailment/settlement cost recognized	-	40,845	-	40,845
Actuarial loss /(gain)-economic assumptions	1,799,422	(498,278)	206,552	(64,277)
Actuarial loss /(gain)- experience period	68,057	172,877	(9,421)	(837)
Present value of liability at the end of the year	**12,826,905**	**10,657,209**	**1,317,515**	**1,071,568**
Adjustments				
Adjustments in liabilities from changes in assumptions	(1,799,422)	498,278	(206,552)	64,277
Experiential adjustments in liabilities	(68,057)	(172,877)	9,421	837
Total actuarial gain/(loss) in equity	**(1,867,479)**	**325,401**	**(197,131)**	**65,114**
Other adjustments in equity	-	-	-	-
Total amount recognized in equity	**(1,867,479)**	**325,401**	**(197,131)**	**65,114**
Changes in net liability recognized in the balance sheet				
Net liability at the beginning of the year	10,657,209	11,022,107	1,071,568	1,203,492
Benefits paid by the employer	(501,152)	(864,533)	-	(156,322)
Total expense recognized in income statement	803,369	825,036	48,816	89,512
Total amount recognized in equity	1,867,479	(325,401)	197,131	(65,114)
Net liability at the end of the year	**12,826,905**	**10,657,209**	**1,317,515**	**1,071,568**

Liability is computed using the Projected Unit Credit method.

The principal actuarial assumptions used from the parent company are as follows:

	COMPANY	
	31/12/2014	31/12/2013
Discount rate	1.50%	3.20%
Inflation rate	1.75%	1.75%
Annual average future salary increases	1.00%	1.00%
Duration of liabilities	10.45	10.73

(All amounts are expressed in Euro, unless otherwise stated)

Sensitivity Analysis Results:

These results depend on the assumptions used for the preparation of the actuarial study.

On 31/12/2014:

If we had used a higher discount rate by 0.5%, then the present value of the liability would be lower by 5.0%.

If we had used a lower discount rate by 0.5%, then the present value of the liability would be higher by 5.4%.

27. Government grants

Government grants relate to investments in property, plant and equipment and are recognized as income at the same period with the depreciation of the related tangible assets – mainly machinery. In accordance with the legislation under which the grants were obtained, several restrictions exist regarding the transfer of the subsidized machinery and over the legal status of the subsidized company. During the audits performed by the relevant authorities, there were no instances of non-compliance with these restrictions.

The Parent Company of the Group has obtained grants from the Greek State and the European Union in order to finance the construction and installation of the natural gas transmission network throughout Greece. After January 1, 1997, grants were received only through the Greek State in accordance with the decision of the Ministry of Finance, and were considered as direct capital contributions. Grants received from the European Union and the Greek State up to December 31, 1996 are recorded as long-term liabilities in the Consolidated Statement of Financial Position and are amortized over the useful life of the related assets. Grants received subsequent to December 31, 1996 were converted to share capital. According to the Ministerial Decision 39075/161 on June 9, 2003, grants received from the Greek State would be recorded as “Grants” in the Consolidated Statement of Financial Position.

The movement in grants is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Balance at the beginning of the year	305,584,878	298,644,994	34,892,443	36,188,953
Grants received during the year	12,555,906	22,885,143	-	-
Amortization of grants	(14,091,897)	(13,483,703)	(1,323,798)	(1,296,511)
Adjustments	-	(2,461,554)	-	-
Balance at year end	**304,048,887**	**305,584,878**	**33,568,645**	**34,892,443**

28. Provisions and other liabilities

Provisions for contingent risks and expenses of EUR 45.4 million (2013: EUR 45.0 million) relate to provisions for legal disputes and claims against the parent company DEPA AE of EUR 4.4 million, provisions for legal disputes and claims against the subsidiary DESFA A.E. of EUR 18.8 million, provisions for prior years commission to Greek State of EUR 17.8 million of DESFA A.E., provision for users compensations and supply security duties of EUR 1.9 million of DESFA A.E. and provisions for interest on overdue liabilities of the parent company of EUR 2.5 million.

(All amounts are expressed in Euro, unless otherwise stated)

As of the reporting date there were outstanding lawsuits against DESFA AE of EUR 55,623 thousand, that are analyzed as follows: a) amount of EUR 12,714 thousand relates to construction contractors' lawsuits. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible assets and therefore no amount is provided for, b) amount of EUR 42,908 thousand relates to other lawsuits against the company for which the company estimates that it will not pay more than EUR 18,842 thousand. Furthermore, there are pending lawsuits against the company concerning compensation for expropriation of property amounting to EUR 10,031 thousand and are directly related to the construction and expansion of the pipeline and other tangible assets. It is noted that according to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible and intangible assets and therefore no amount is provided for.

29. Other long-term liabilities

Other long-term liabilities of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Customer guarantees	189,120	1,277,003	-	1,087,883
Supplier guarantees	1,250	2,500	1,250	2,500
Deferred income from rights of use of network	579,126,370	597,107,787	579,126,370	597,107,787
Total	**579,316,740**	**598,387,290**	**579,127,620**	**598,198,170**

The medium and low pressure natural gas distribution network of Attica, Thessalia and Thessaloniki region is owned by DEPA A.E., who gives the right of use of the network to EPAs. In exchange for the right of use, DEPA A.E. records deferred income which is amortized on a straight line basis in the profit and loss using the same amortization rate as the one used for the rights of use.

30. Trade and other payables

The total liabilities of the Group and the Company towards suppliers and other creditors are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Suppliers	46,246,810	72,500,992	32,048,449	46,047,837
Cheques payables	283,114	216,131	-	-
Customer advances	8,012,397	2,581,621	4,211,835	-
Tax payables	16,129,086	19,232,997	16,129,086	19,232,997
Social security payable	469,241	521,459	101,285	115,047
Liabilities to subsidiaries and related parties	2,004,793	376,986	26,418,858	105,683,568
Dividends payable	1,160,790		1,160,790	
Other creditors	1,559,869	1,609,108	417,774	348,348
Other accrued liabilities	115,954,632	88,097,048	115,987,999	89,324,075
Deferred income	38,049,340	32,889,042	38,049,340	37,378,528
Accrued expenses	6,258,716	11,349,449	2,104,329	2,245,170
Total	**236,128,788**	**229,374,832**	**236,629,745**	**300,375,570**

On December 23, 2003, DEPA and Turkish BOTAS signed an Agreement (in accordance with the provisions of the relevant intergovernmental agreement between Greece - Turkey), for the supply of

Greece with natural gas from BOTAS. The above Supply Agreement provides for the delivery of natural gas at the Greek - Turkish border. The contractual price (Pn) is determined by two factors, the supply price of natural gas of Azerbaijan (Pc) and the parameter K (Pn = Pc + K). Under the Agreement, BOTAS has the right to submit to DEPA a price revision request, in the event that a similar request of price review has been raised by under the contract that BOTAS has signed with its original upstream suppliers (Azerbaijan). In April 2008, BOTAS submitted a request to DEPA to revise the price of gas supplied following a corresponding price revision request of its upstream supplier. In addition BOTAS raised an issue of a retrospective revision of the pricing formula's "K" parameter for the purpose of determining a revised final selling price of gas in DEPA. DEPA disagreed with BOTAS over the issue of revision of said parameter both for procedural reasons (extent of retroactivity) and substantive (congruence of K). BOTAS filed an appeal against DEPA before the arbitral tribunal referred to in the contract. Simultaneously, DEPA, appealed before the same tribunal on deficient quantities delivered by BOTAS during recent years requesting compensation for each day that deficient deliveries were made.

On the 5th May 2014 the Tribunal issued a kind of "preliminary decision" for the first and major aspect of the case, i.e. parameter K. The Tribunal, thus, issued an "executive summary", as agreed by the parties, for the sake of speeding up the procedure, until the final drafting and serving its full decision (award). With respect to the second part of the case, i.e. DEPA's counterclaims over deficient supplies gas by BOTAS, decision is still pending. The Tribunal ruled that K's revision applies since 15 September 2009 and not since April 2008.The Tribunal also ruled that in order for the revisions to be fair and reasonable they should be based on both changes of Azerbaijan's gas price (Pc) and fundamental changes in market parameters, in particular to changes in gas prices in European markets, without giving further details. The Tribunal invited the parties to meet before it on 26 May 2014 and gave them notice to submit their final arguments.

On October 1, 2014 the Arbitral Tribunal issued a new "interim decision" which explicitly states that the revised contract price must be directly related on BAFA price, which is the official German average imports price of gas to the country, and requested from both parties experts to jointly submit the wording of the contract on the revised contract price.

On November 14, 2014 the Arbitral Tribunal issued a further directive which invited the parties to express their opinion on the possible recruitment of an independent expert to assist the Tribunal in the assessment of the economic consequences of its decision on the two parties. The parties agreed to the recruitment. The Tribunal processes the final decision, which is expected during the first semester of 2015.

Given that the Tribunal has not yet specified an exact value of parameter K, DEPA's management is currently unable to quantify an alternative estimate in its financial statements.

31. Financial Risk Management

The Group is exposed to various financial risks, the most important of which are: the market risk which includes foreign exchange risk and interest rate risk, credit risk and liquidity risk. The policies for managing the relevant risks of the Group aim at minimizing the negative impact they may have on the financial position and performance of the Group.

Greek Macros: During the previous years the Group faced exceptional challenges from the decreased demand of gas, mainly as a result of the economic crisis in Greece and the political uncertainty. In 2014 these challenges remained, albeit with a less profound impact, as signs of improvement appeared in certain areas such as macroeconomic environment and working capital improvement. Following six years of consecutive decline, GDP grew for the first time in 2014. Given the recent discussions between the Hellenic Republic and international institutional authorities, risks remain as regards to the economic stability in Greece. These risks relate to the new agreement that will be reached between the Hellenic Republic and its international lenders, which could have an impact on the country's banking system, its fiscal policy and the implementation of structural reforms. These factors are beyond the Group's control, however management continually assesses the situation and its possible impact, in order to ensure that timely actions and initiatives are undertaken so as to minimize any impact on the Group's business and operations.

As mentioned, the main financial instruments of the Group are cash, bank deposits, trade and other receivables and payables and bank loans. Management of the Group reviews and revises the respective policies and processes with regard to the management of the financial risks on a regular basis as described below:

I. Market Risk

- ***Interest Rate risk:*** As of 31/12/2014 all of current and non-current loans have been obtained at fixed interest rates and therefore, the Group is not exposed to risks associated with changes in interest rates. Management continuously monitors the fluctuations of the interest rates and the financing needs of the Group and evaluates on a case by case basis the duration of the loans and the relation between fixed and floating rate.
- ***Exchange Rate risk:*** The Group is exposed to foreign currency risk due to changes in the US dollar exchange rate with respect to the supply of natural gas which is carried out based on contracts with foreign suppliers, mainly expressed in U.S. dollars. As of 31/12/2014, if the exchange rate of euro had appreciated against the U.S. dollar by 10% and all other variables remained unchanged, the before tax results of the current fiscal year would increase by EUR 11,503 thousands and the after tax results of the Group would increase by EUR 8,512 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. dollars. Moreover if the exchange rate of euro had depreciated against the U.S. dollar by 10%, and all other variables remained unchanged, the results before tax of the parent company and the Group would be lower by EUR 14,059 thousands and respectively the after tax results of the Group for the year would be lower by EUR 10,404 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. Dollars.
- ***Price risk:*** The Group is subject to risk from changes in the prices of other competitive products as its cost is affected by fluctuations in oil prices and selling prices are partially regulated compared to competitive fuel. The Group determines its pricing policy based on the gas purchase price.

II. Credit Risk

Credit risk arises from cash and cash equivalents, derivatives and bank deposits as well as credit exposures to the Group's wholesale and retail customers.

The parent company has an explicit credit policy that is applied consistently. In particular, all its customers have a 20 days credit period from the date of consumption, except for customers that are state owned companies, whose credit period is designated by Management of the Group at 120 days. If the above time period is exceeded, interest accrues on the customers' balance.

The Group is subject to sales concentration, since almost 26.44% of its total sales are to the Public Power Corporation SA, 11.04% to Alouminion A.E. and 8.85% to EPA Attiki A.E.

The Company's management continually monitors the financial position of its customers as well as the extent and limits of the offered credits. At year-end, management considered that the credit risk is covered by collateral and provisions, which were deemed necessary at that time, in conjunction with the undertaken actions by the Company to obtain guarantees and repayment schedule from overdue customers, mainly electricity producers. The highest exposure to credit risk, in case counterparties do not meet their obligations in relation to each class of recognized financial assets, is the carrying amount of these claims as shown in the Statement of Financial Position reduced by the value of guarantees and collaterals (Note 33).

The Company has receivables from state owned companies for which no impairment arose after the relevant assessment performed by the Company.

(All amounts are expressed in Euro, unless otherwise stated)

III. Liquidity Risk

Liquidity risk is dealt with through the availability of sufficient cash and cash equivalents as well as credit limits with the cooperating banks. The existing available and unused, approved banking credit towards the Group, are sufficient so as to deal with any possible lack of cash funds.

The following table presents an analysis of financial liabilities as well as liabilities arising from derivatives, according to their contractual settlement dates.

GROUP

31/12/2014	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	32,697,264	32,704,348	66,999,407	142,555,107
Trade and other payables	236,128,788	-	-	-

31/12/2013	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	32,697,264	32,704,348	79,925,543	122,326,235
Trade and other payables	229,374,832	-	-	-

COMPANY

31/12/2014	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	-	-	-	-
Trade and other payables	236,629,745	-	-	-

Κατά την 31/12/2013	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Loans	-	-	-	-
Trade and other payables	300,375,570	-	-	-

IV. Capital Risk Management

The purpose of the Group, in managing capital, is to ensure the going concern principle, to distribute profits to shareholders and benefits to other stakeholders and to maintain a capital structure which will decrease the cost of capital.

Capital is reviewed based on a leverage ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as the total debt less cash and cash equivalents. Total capital is calculated as the total equity presented in the statement of financial position. More specifically:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Total Liabilities	1,462,674,765	1,468,477,964	859,344,805	941,666,977
Less: Cash & cash equivalents (Note 20)	(303,240,849)	(154,002,901)	(238,972,599)	(99,497,481)
Net Debt	**1,159,433,916**	**1,314,475,063**	**620,372,206**	**842,169,496**
Total Equity	**1,691,621,606**	**1,721,083,293**	**1,473,390,316**	**1,507,444,518**
Net Debt/Total Equity	69%	76%	42%	56%

(All amounts are expressed in EUR unless otherwise stated)

32. Related party transactions and balances

The Company considers as related parties the members of the Board of Directors (including their related parties) as well as shareholders holding a percentage greater than 5% of its share capital. The related party transactions and balances with the jointly controlled entities are stated at 100%. The Company's and the Group's related party transactions and balances during the fiscal years 1/1-31/12/2013 and 1/1-31/12/2014, respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-31/12/2013		1/1-31/12/2013		1/1-31/12/2013		1/1-31/12/2013	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	267,663,961	1,457,654	40,677,929	405,222	313,425,221	200,010,609	113,225,057	107,830,649
Transactions with unconsolidated entities	8,644,704	766,360	3,150,025	36,818	8,644,704	766,360	3,150,025	36,818

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-31/12/2014		1/1-31/12/2014		1/1-31/12/2014		1/1-31/12/2014	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	248,987,680	1,171,804	38,559,179	2,017,597	324,479,252	190,518,487	65,368,266	27,450,263
Transactions with unconsolidated entities	13,298,026	59,711	10,326,545	21,776	13,298,026	59,711	10,326,545	21,776

(All amounts are expressed in EUR unless otherwise stated)

Fees to the president and Board of Directors' members of the Group and the Company are as follows:

	31/12/2014	**31/12/2013**
Fees to the president and BoD members of the Company	285,147	257,514
Fees to the president, BoD members and audit committee members of the consolidated subsidiaries	355,530	273,613
Fees to the president and member of the BoD of the Group	**640,677**	**531,127**

The Company's main shareholder is the Greek State. There are no transactions and balances directly with the Greek State but with state owned entities or entities that the Greek State has the majority of shares. From these transactions, the major ones are with Public Power Corporation.

33. Commitments and Contingent Liabilities

33.1. Contingent liabilities from legal cases or arbitration

Outstanding lawsuits against DESFA AE amount to EUR 55,623 thousand, and are analyzed as follows: a) amount of EUR 12,714 thousand relates to construction contractors' lawsuits. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible assets and therefore no amount is provided for, b) amount of EUR 42,908 thousand relates to other lawsuits against the company for which the company estimates that it will not pay more than EUR 18,842 thousand. Furthermore there are outstanding liabilities from Greek government guarantees of EUR 17,800 thousand for which the company has formed an equal provision (see note 28). There are pending lawsuits against the company concerning compensation for expropriation of property amounting to EUR 10,031 thousand and are directly related to the construction and expansion of the pipeline and other tangible assets. It is noted that according to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible and intangible assets and therefore no amount is provided for.

	GROUP		**COMPANY**	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
Contingent liabilities				
Construction contracts in progress	139,281,849	193,013,040	12,081,893	10,856,044
Letters of guarantee from suppliers and third parties	58,900,710	66,775,885	58,295,611	65,686,570
Total contingent liabilities	**198,182,559**	**259,788,925**	**70,377,504**	**76,542,614**
Contingent assets				
Letters of guarantee from customers	191,091,633	180,486,566	137,863,538	133,288,886
Letters of guarantee from suppliers	79,425,589	80,937,420	1,310,236	902,295
Letters of guarantee from contractors	9,714,416	11,526,230	9,714,416	11,526,230
Total contingent assets	**280,231,638**	**272,950,216**	**148,888,190**	**145,717,411**

33.2 Commitments

a) **Insurance Cover:** The Group's property, plant and equipment are located all over Greece. The Group has insurance coverage for its property, plant and equipment for various types of risks, as determined by independent insurance brokers and management considers this coverage to be adequate.

(All amounts are expressed in Euro, unless otherwise stated)

b) **Natural Gas purchase agreements:**

i) On July 26, 1988, DEP A.E. signed a long term agreement with the Russian company SOJUZGAZEXPORT for the purchase and import of natural gas until 2016, with the ability to renew it for five more years if none of the parties expresses its opposition at least 18 months before the expiry date (2016). The agreement was transferred to DEPA A.E. The delivery of natural gas started in 1996. The price of natural gas is determined using a formula which is defined in the contract and the price is readjusted on the first day of every quarter based on specific parameters. On March 6, 2001 an amendment of the formula was signed, with retrospective effect from January 1, 2000. On April 1, 2011 a further amendment of the formula was signed. On March 11, 2014 a new amendment of the formula was signed with retrospective effect from July 1, 2013 and the contract was extended until 2026 with the option to extend it until 2036. Any claims or disputes can be settled either amicably or by arbitration in Stockholm.

ii) On February 1988, DEP A.E. signed a long term agreement with the Algerian State owned company SONATRACH for the purchase and import of liquefied natural gas. The agreement was officially effected in 2000 and has a duration of 21 years. The specific quantities and the quality specifications of the product to be delivered are determined by the contract. The natural gas price is also determined using a formula which is defined in the contract. This contract was transferred to DEPA A.E.

iii) As of 23 December 2003, DEPA A.E. signed a long-term agreement with the Turkish company BOTAS for the purchase and import of natural gas. The agreement was officially effected in 2007 and has a duration of 15 years. The specific quantities as well as the quality specifications of the product to be delivered are determined by the contract. The price of natural gas is determined using a formula which is defined in the contract.

iv) On September 19, 2013, DEPA signed a long term agreement with the Azeri company SOCAR for the purchase and import of natural gas of 1 bcma from 2019 to 2044. The price of gas is determined by formula which is defined in the contract and the price is adjusted monthly based on specific parameters. The contract has been fully assigned by SOCAR to AGSC, based on a tripartite agreement signed on December 17, 2013.

c) **Commitments and operating leases**

On 31 December 2014 the Group had contracts for operating leases for buildings and motor vehicles.

The future minimum operating lease payments from operating leases for buildings and motor vehicles on the basis of non-cancelable operating lease contracts are as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Up to 1 year	1,991,129	1,981,836	641,129	672,745
1 to 5 years	410,527	770,307	101,527	137,584
Over 5 years	24,417	24,204	24,417	24,204
Total	**2,426,073**	**2,776,347**	**767,073**	**834,533**

The amount of leases recognized in the statement of comprehensive income for the year amounts to € 2,335,382 (2013: € 2,278,666) for the Group and € 694,333 (2013: € 721,358) for the Company.

(All amounts are expressed in Euro, unless otherwise stated)

33.3 Other contingent liabilities

33.3.1 The Group's companies have not yet been audited by the tax authorities for the following years:

COMPANY	COUNTRY	OPEN TAX YEARS
DEPA A.E.	GREECE	2014
DESFA A.E. (formed on 30/03/2007, according to the provisions of L. 2166/1993)	GREECE	2014
EPA ATTIKI A.E	GREECE	2009-2010 & 2014
EPA THESSALONIKI A.E.	GREECE	2007-2010 & 2014
EPA THESSALIA A.E.	GREECE	2007-2010 & 2014
Y.A.F.A. POSEIDON A.E.	GREECE	2010 & 2014
SOUTH STREAM A.E.	GREECE	2014
IGB AD	BULGARY	2011-2014

The tax audit for 2014 is in progress from the statutory auditors for all the Companies of the Group, according to article 65A of Law 4174/2013 and no material charges are expected for the Company and the Group.

According to the provisions of Article 82 paragraph 5 of L.2238/94 the Company and Group for the unaudited tax years 2011 to 2013 have received a tax certificate with unqualified opinion by the auditors.

The unaudited tax years until 2010 under the current provisions will be audited by the tax authorities under the rules and procedures applicable up to the implementation of the above mentioned law. Because the tax audit may not recognize certain expenses, it is likely that additional taxes will be imposed for these unaudited years.

On 16/12/2013 a tax audit was requested by the Audit Authority for Large Enterprises for all unaudited tax years of EPA Thessaloniki SA & EPA Thessalia SA. The tax audit is in progress and it is expected to finalize during the next year.

33.3.2 Sales of DEPA decreased in 2014 compared to 2013, mainly due to the ongoing recession and other changes in the energy market, which resulted in a significant reduction of electricity production from natural gas. Therefore, customers failed to fulfill their contractual obligation to buy the annual minimum quantity of gas and consequently DEPA purchased less than its contractual minimum quantity of gas from its supplier Gazprom. Negotiations between the two parties are in progress in order to reach the final for the issue agreement. Any amount that will be paid by DEPA for the non-taken quantities of 2014 will be a prepayment for the purchase of gas in the following years until the expiration of the supply contract (2026).

33.4 Prenotations

The parent company in order to secure its receivables has written prenotations on certain assets of its customers, of a total amount of EUR 75 million.

34. Fair value disclosures

Financial assets and liabilities are measured at amortized cost. There is no obligation to disclose the levels 1, 2, 3 as the fair value of these assets and liabilities carried at amortized cost is not materially different from their respective book value. There are no transfers between levels as at 31 December 2013.

35. Other significant disclosures

On 01/08/2013 the Board of Directors of TAIPED (holder of 65% of DEPA) and on 02/08/2013 the Board of Directors of Hellenic Petroleum (holder of 35% of DEPA SA) approved the sale of 66% of DESFA (or 31 % by the State and 35% by HELPE) to the Azeri company Socar which submitted an offer of EURO 400 million. The board of Hellenic Petroleum A.E. recommended the approval of the transaction to the Extraordinary General Assembly of its shareholders, which was convened to for this purpose, on September 2, 2013.

The share purchase agreement for the sale of 66% of the share capital of DESFA was signed by TAIPED, Hellenic Petroleum A.E. and SOCAR on December 21, 2013. The finalization of the transaction depends on certain events, such as the approval of the transaction by the EU or national competition authorities (as applicable) and DESFA's certification by the Regulatory Authority for Energy of the Greek Republic ("RAE"), in accordance with Article 65 of Law 4001/2011 ("Energy Act"). It should be noted that, as there is no precedent regarding the Certification of an Operator of the gas transportation system that is owned/controlled by a company outside the European Union, the process is not predetermined. Consequently, parameters and criteria for the evaluation conducted by the authorities or the extent of the obligations, which may be requested by the European Commission to be undertaken by SOCAR, cannot be predicted or controlled by the contracting parties. On September 29, 2014, RAE issued the certification to DESFA and on October 1, 2014 the European Directorate-General for Competition was notified. On November 5, 2014, the European Commission started an in-depth investigation. The extent of the obligations that SOCAR may be required to undertake and the exact time it will take the European Commission to issue a decision cannot be controlled by the contracting parties.

Despite the fact that the parties have signed the share purchase agreement, the finalization of the transaction is still subject to certain conditions, some of which are beyond the control of the parties and, therefore, it remains outstanding and depends on the fulfillment of these conditions.

DESFA is fully consolidated by the Group. The assets of DESFA were evaluated as at 31 December 2014 in accordance with the guidance in IAS 36 and no impairment indications were identified.

Since the sale is subject to the approval of the competent bodies, and the time of the approval is not yet known, the investment on DESFA is not classified as held for sale as at 31 December 2014. If the transaction is finalized, the Group's equity will be reduced by approximately € 210 million.

During 2014 there were discussions between competent bodies concerning the reformation of the structure and operation of the domestic gas retail market through full liberalization of the market with the ultimate aim of reducing gas distribution prices to final consumers. Upon application of relevant legislative and regulatory changes these may affect the financial results of the Gas Supply companies and DEPA.

Independent Auditor's Report
(Translated from the original in Greek)

To the Shareholders of
PUBLIC GAS COMPANY (DEPA) S.A.

Report on the Stand-alone and Consolidated Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of PUBLIC GAS COMPANY (DEPA) S.A. (the "Company") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2014 and the stand-alone and consolidated 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 Stand-alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of stand-alone and consolidated 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 stand-alone and consolidated 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 whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated 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 stand-alone and consolidated 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 company's 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 stand-alone and consolidated 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 stand-alone and consolidated financial statements give a true and fair view of the financial position of PUBLIC GAS COMPANY (DEPA) 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.

Report on Other Legal and Regulatory Requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

Athens, 24 April 2015

KPMG Certified Auditors A.E.
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071