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 2011 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 2011 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

We draw attention to Note 30 to the stand alone and consolidated financial statements which describes the uncertainty related to the outcome of an appeal to the arbitration decision filed by the Company concerning a dispute with a client for a term in the sales contract of natural gas. Our opinion is not qualified in respect of this matter.

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, 26 April 2012

KPMG Certified Auditors A.E.

KPMG Certified Auditors A.E.
3 Stratigou Tombra Street
153 42 Aghia Paraskevi
Greece
AM SOEL114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071

Table of Contents

(All amounts are expressed in EUR unless otherwise stated)

Company Information

Board of Directors:	Charalambos Sachinis– Chairman of the Board of Directors and CEO
	Spyros Palaiogiannis – Vice Chairman and Deputy CEO
	Theodoros Vardas – Member
	Rallis Gekas – Member
	Dimitrios Bouraimis – Member
	Lemonia Papadakou – Member
	Dimitrios Papakonstantinou – Member
	Andreas Shiamishis – Member
	Nikolaos Farantouris – Member
	Evangelos Kosmas – Representative of employees
	Zilakaki Eleni – Representative of employees (since 31/10/2011)
Registered office:	92 Marinou Antipa Str & 37 Papaioannou Str
	141 21 Iraklio Attiki
Registration number:	17913/01AT/B/88/592 (07)

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Revenue	7	1,761,093,465	1,216,707,517	1,734,863,769	1,183,633,085
Cost of sales		(1,417,844,592)	(1,002,198,916)	(1,567,049,388)	(1,083,135,353)
Gross profit		**343,248,873**	**214,508,601**	**167,814,381**	**100,497,732**
Administrative expenses	8	(37,194,265)	(34,269,279)	(15,437,577)	(14,540,817)
Distribution expenses	9	(23,006,195)	(16,180,517)	(14,564,558)	(8,751,618)
Other operating income/(expenses),-net	10	(61,908,586)	(11,108,047)	(60,540,697)	(4,524,222)
Amortization of grants	14	19,326,453	9,355,729	1,440,245	1,282,716
Share of profit/(loss) from equity-accounted investees	17	(1,221,388)	(854,167)	-	-
Dividends		-	-	22,995,623	19,968,689
Foreign currency translation differences (losses) / gains	12	(11,595,879)	(5,569,865)	(11,635,008)	(5,422,904)
Operating Profit		**227,649,013**	**155,882,455**	**90,072,409**	**88,509,576**
Finance costs	11	(18,168,574)	(22,411,935)	(4,723,828)	(8,353,940)
Finance income	11	35,250,720	18,845,844	26,968,297	13,581,888
Profit before income tax		**244,731,159**	**152,316,364**	**112,316,878**	**93,737,524**
Income tax	13	(53,808,682)	(61,522,176)	(17,682,256)	(35,161,107)
Profit for the year		**190,922,477**	**90,794,188**	**94,634,622**	**58,576,417**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**190,922,477**	**90,794,188**	**94,634,622**	**58,576,417**
Basic and diluted earnings per share (expressed in Euro per share)		**16.96**	**8.06**	**8.41**	**5.20**

The notes on pages 12 to 68 are an integral part of these financial statements

(All amounts are expressed in EUR unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP	
ASSETS	**Note**	**31/12/2011**	**31/12/2010**
Non-current assets			
Property, plant and equipment	15	1,940,737,488	1,910,971,158
Intangible assets	16	20,806,247	20,340,869
Investment in associates	17	8,467,559	6,313,948
Other long-term receivables		2,186,864	793,686
Deferred tax assets	18	58,646,914	69,132,234
Total non-current assets		**2,030,845,072**	**2,007,551,895**
Current assets			
Inventories	19	44,100,056	40,667,538
Trade and other receivables	20	548,084,409	291,570,203
Cash and cash equivalents	21	263,319,452	394,120,429
Total current assets		**855,503,917**	**726,358,170**
TOTAL ASSETS		**2,886,348,989**	**2,733,910,065**
EQUITY			
Share capital	22	991,238,046	991,238,046
Reserves	23	120,690,501	110,684,636
Retained Earnings		391,461,526	229,910,310
Total Equity		**1,503,390,073**	**1,331,832,992**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	264,698,599	303,490,983
Provisions and other liabilities	28	22,539,566	19,520,831
Government grants	27	309,512,005	327,484,969
Employee benefits	26	22,316,613	22,572,404
Other long-term liabilities	29	316,732,711	308,646,146
Total non-current liabilities		**935,799,494**	**981,715,333**
Current liabilities			
Trade and other payables	30	378,129,869	330,719,204
Loans and borrowings	25	32,697,264	34,673,276
Short-term tax liabilities		36,332,289	54,969,260
Total current liabilities		**447,159,422**	**420,361,740**
TOTAL LIABILITIES		**1,382,958,916**	**1,402,077,073**
TOTAL EQUITY AND LIABILITIES		**2,886,348,989**	**2,733,910,065**

The notes on pages 12 to 68 are an integral part of these financial statements

(All amounts are expressed in EUR unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

		COMPANY	
Assets	**Note**	**31/12/2011**	**31/12/2010**
Non-current assets			
Property, plant and equipment	15	701,965,918	670,145,847
Intangible assets	16	3,643,515	3,805,698
Investment in subsidiaries	17	955,070,187	990,770,186
Investment in associates	17	11,050,000	8,000,000
Other long-term receivables		236,629	229,981
Deferred tax assets	18	49,362,276	57,216,570
Total non-current assets		**1,721,328,525**	**1,730,168,282**
Current assets			
Inventories	19	18,557,903	13,979,288
Trade and other receivables	20	508,956,728	270,045,816
Cash and cash equivalents	21	154,166,171	261,800,519
Total current assets		**681,680,802**	**545,825,623**
TOTAL ASSETS		**2,403,009,327**	**2,275,993,905**
EQUITY			
Share capital	22	991,238,046	991,238,046
Reserves	23	106,589,468	101,855,809
Retained Earnings		224,952,124	154,416,557
Total equity		**1,322,779,638**	**1,247,510,412**
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	28	2,755,717	10,360,023
Government grants	27	37,486,297	38,424,443
Employee benefits	26	5,693,624	6,220,895
Other long-term liabilities	29	610,823,067	601,546,902
Total non-current liabilities		**656,758,705**	**656,552,263**
Current liabilities			
Trade and other payables	30	414,516,663	337,974,301
Short-term tax liabilities		8,954,321	33,956,929
Total current liabilities		**423,470,984**	**371,931,230**
Total liabilities		**1,080,229,689**	**1,028,483,493**
TOTAL EQUITY AND LIABILITIES		**2,403,009,327**	**2,275,993,905**

The notes on pages 12 to 68 are an integral part of these financial statements

Chairman of the Board of Directors & CEO	Charalambos Sachinis
Vice Chairman and Deputy CEO	Spyros Palaiogiannis
Head, Financial & Administrative Activities	Maria Fantridaki
Department Head Financial & Administrative Activities Balance Sheets & Consolidation	Leonidas Mouzakitis

(All amounts are expressed in EUR unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Properties & other fixed assets acquired free of charge	Reserve due to share capital translation in EUR	Special Reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2010	991,238,046	19,760,782	448,858	12,211	81,739,502	2,547,601	156,325,576	1,252,072,576
Profit for the year	-	-	-	-	-	-	90,794,188	90,794,188
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**90,794,188**	**90,794,188**
Transactions with owners of the Company, recognised directly in equity:								
Transfer to reserves	-	6,175,682	-	-	-	-	(6,175,682)	-
Dividends for 2009	-	-	-	-	-	-	(11,033,772)	(11,033,772)
Total contribution by and distributions to owners of the Company	**-**	**6,175,682**	**-**	**-**	**-**	**-**	**(17,209,454)**	**(11,033,772)**
Balance at 31 December 2010	**991,238,046**	**25,936,464**	**448,858**	**12,211**	**81,739,502**	**2,547,601**	**229,910,310**	**1,331,832,992**
Balance at 1 January 2011	991,238,046	25,936,464	448,858	12,211	81,739,502	2,547,601	229,910,310	1,331,832,992
Profit for the year	-	-	-	-	-	-	190,922,477	190,922,477
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**190,922,477**	**190,922,477**
Transactions with owners of the Company, recognised directly in equity:								
Transfer to reserves	-	9,772,206	-	17	-	233,642	(10,005,865)	-
Dividends for 2010	-	-	-	-	-	-	(19,365,396)	(19,365,396)
Total contribution by and distributions to owners of the Company	**-**	**9,772,206**	**-**	**17**	**-**	**233,642**	**(29,371,261)**	**(19,365,396)**
Balance at 31 December 2011	**991,238,046**	**35,708,670**	**448,858**	**12,228**	**81,739,502**	**2,781,243**	**391,461,526**	**1,503,390,073**

The notes on pages 12 to 68 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	Reserve due to share capital translation in EUR	Special Reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2010	991,238,046	13,835,252	12,211	81,590,629	2,272,407	46,544,394	1,135,492,939
Profit for the year	-	-	-	-	-	58,576,417	58,576,417
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**58,576,417**	**58,576,417**
Transactions with owners of the Company, recognised directly in equity:							
Transfer to reserves	**-**	3,565,000	-	-	-	(3,565,000)	**-**
Dividends for 2009	**-**	-	-	-	-	(11,033,772)	(11,033,772)
Merger with EDA		112,232		148,664	319,314	63,894,519	64,474,829
Total contribution by and distributions to owners of the Company	**-**	**3,677,332**	**-**	**148,664**	**319,314**	**49,295,747**	**53,441,057**
Balance at 31 December 2010	**991,238,046**	**17,512,584**	**12,211**	**81,739,293**	**2,591,721**	**154,416,557**	**1,247,510,412**
Balance at 1 January 2011	991,238,046	17,512,584	12,211	81,739,293	2,591,721	154,416,557	1,247,510,412
Profit for the year	**-**	**-**	**-**	**-**	**-**	94,634,622	94,634,622
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**94,634,622**	**94,634,622**
Transactions with owners of the Company, recognised directly in equity:							
Transfer to reserves	**-**	4,500,000	17	-	233,642	(4,733,659)	-
Dividends for 2010	**-**	-	-	-	-	(19,365,396)	(19,365,396)
Total contribution by and distributions to owners of the Company	**-**	**4,500,000**	**17**	**-**	**233,642**	**(24,099,055)**	**(19,365,396)**
Balance at 31 December 2011	**991,238,046**	**22,012,584**	**12,228**	**81,739,293**	**2,825,363**	**224,952,124**	**1,322,779,638**

The notes on pages 12 to 68 are an integral part of these financial statements

(All amounts are expressed in EUR unless otherwise stated)

CASH FLOW STATEMENT	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Cash Flows from operating activities:				
Profit before income tax	244,731,159	152,316,364	112,316,878	93,737,524
Adjustments for:				
Depreciation and amortisation expenses	66,714,334	65,722,142	21,082,846	18,942,110
Provisions	121,906,632	93,365,412	113,644,012	90,001,676
Share of profit/(loss) of equity accounted investees	1,221,388	854,167	-	-
Gains from merged entity for the period 01/04 - 23/12/2010 (before depreciation-amortisation, grants and the deferred tax effect)	-	-	-	(35,407,165)
Reversal of write-offs from disposal of fixed assets	1,695,300	-	-	-
Income from dividends	-	-	(22,995,623)	(19,968,689)
(Gains)/losses on sale of property, plant and equipment	(4,495)	36,595	271	(5,510)
Amortisation of grants	(19,326,453)	(9,355,729)	(1,440,245)	(1,282,716)
Foreign currency differences	1,320,900	(542,532)	1,348,006	(542,532)
Net finance costs	(17,082,146)	3,566,091	(22,244,469)	(5,227,948)
Other non-cash movements	442,780			
Amortization of rights of use	(16,489,216)	(11,820,802)	(33,651,495)	(24,124,085)
	385,130,183	294,141,708	168,060,181	116,122,665
Adjustments for changes in working capital or changes related to operating activities:				
Decrease/(Increase) in inventories	(3,411,068)	(5,622,922)	(4,578,615)	(5,251,297)
Decrease/(Increase) in receivables	(328,086,521)	(58,608,376)	(297,433,733)	55,467,365
Decrease/(Increase) in long term receivable	(5,498)	3,665,251	(6,647)	-
(Decrease)/Increase in liabilities (excluding banks)	9,369,333	33,244,124	16,716,618	(67,512,221)
Cash generated from operating activities	62,996,429	266,819,785	(117,242,196)	98,826,512
Interest and other related expenses paid	(18,708,168)	(14,480,538)	(4,723,828)	(422,544)
Taxes paid	(64,027,204)	(95,379,509)	(35,218,693)	(68,170,295)
Net Cash from operating activities (a)	**(19,738,943)**	**156,959,738**	**(157,184,717)**	**30,233,673**
Cash Flows from investing activities:				
Investments in subsidiaries, associates, joint ventures and other investments	(3,375,000)	(6,780,000)	(3,050,000)	(6,750,000)
Acquisition of property, plant, equipment and intangible assets	(78,954,628)	(100,954,576)	(8,994,963)	(8,432,601)
Proceeds from disposal of property, plant and equipment	4,777	-	-	5,551
Dividends received	-	-	22,995,623	19,968,689
Interest received	29,267,706	18,845,844	20,985,284	13,581,888
Grants received	2,128,903	15,357,734	1,279,821	3,019,054
Proceeds from return of investment in subsidiary	-	-	35,700,000	-
Net Cash from investing activities (b)	**(50,928,242)**	**(73,530,998)**	**68,915,765**	**21,392,581**
Cash Flows from financing activities:				
Proceeds from borrowings	-	34,325,900	-	-
Repayment of borrowings	(40,768,396)	(30,817,259)	-	-
Dividends paid	(19,365,396)	(11,033,772)	(19,365,396)	(11,033,772)
Net Cash from financing activities (c)	**(60,133,792)**	**(7,525,131)**	**(19,365,396)**	**(11,033,772)**
Net increase / (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	**(130,800,977)**	**75,903,609**	**(107,634,348)**	**40,592,482**
Cash and cash equivalents at 1 January	394,120,429	318,216,820	261,800,519	201,139,764
Cash and cash equivalents from the merged entity	-	-	-	**20,068,273**
Cash and cash equivalents at 31 December	**263,319,452**	**394,120,429**	**154,166,171**	**261,800,519**

The notes on pages 12 to 68 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 opening up natural gas into the Greek energy market. The Company's office is in 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 S.A. 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 S.A.

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

In accordance with article 7 of the Greek Law 3428/2005, a "Societe Anonyme" Company was incorporated under the name "The National Gas Transmission System Operator" (DESFA S.A.), who received the operation activities of natural gas from the Group's Parent Company, by means of a spin-off. As a result, the subsidiary DESFA S.A. acquired the full and exclusive right of operating, managing, utilising and developing the National System of Transmission for Natural Gas (E.S.F.A.). The subsidiary's share capital was 100% covered by the Parent Company DEPA S.A..

Based on the above, the assets and liabilities that relate to "High Pressure" Transmission System, were transferred as of June 30 2006 (date of transfer) from DEPA S.A. to the newly formed entity, DESFA S.A.. 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 S.A. on 30/3/2007.

In addition, in article 21 of the same law it was clarified that before the incorporation of DESFA S.A., the existing companies "EDA Thessaloniki" and "EDA Thessalia" would be absorbed by "EDA Attiki". The merger was completed under the Ministerial Decree K2 18211/29.12.06, issued by the Greek Ministry of Development and the decision of Athens Prefect No 39478/29.12.06. The operations of the new subsidiary "EDA S.A.", following the mergers, covered the geographical area which was previously covered by the operations of the merged entities. By amending article 1 of the Company's Articles of Association, the legal entity named EDA Attiki S.A was changed to "EDA S.A.".

According to article 32 of L. 2992/2002, the rights of use held by EDA companies were transferred to a Societe Anonyme for Natural Gas Supply (EPA S.A.). Therefore, for the distribution of gas to domestic, commercial and industrial consumers through medium and low pressure pipelines, owned by EDA S.A. who allocate to three EPA companies (EPA Attiki, EPA Thessaloniki and EPA Thessalia), that operate in the regions of Attiki, Thessaloniki and Thessalia, respectively.

The Board of Directors of DEPA S.A. and EDA S.A. decided to merge the 100% subsidiary EDA S.A. to the parent company DEPA S.A., as of 31st March 2010 which is the date of the merge. As of 23rd December 2010, the responsible Prefecture approved the subsidiary's absorption from the parent company (refer to Note 6).

The Company's principal supplies of natural gas are secured until 2016 from Russia, through the state owned gas company "GAZPROM EXPORT" and until 2022 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 ("Financial Statements") for the year ended 31 December 2011 were approved by the Board of Directors on 25 April 2012.

2. Basis of Preparation

2.1. General

The accompanying annual stand-alone and consolidated financial statements for the year ended 31 December 2011 ("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 2011, as adopted by the European Union.

The accompanying stand-alone and consolidated financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities which according to the requirements of IFRS, are valued at fair value through profit and loss. The carrying values of the recognized assets and liabilities that are designated as hedged items in fair value hedges and which would otherwise be carried at cost are adjusted to record changes in fair values attributable to the risks that are being hedged.

The attached stand-alone and consolidated financial statements have been prepared on a going concern basis.

The preparation of the financial statements, in accordance with IFRS, requires management 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 historical 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 in forthcoming fiscal years if these are also affected.

Certain comparative figures have been reclassified for conformity with current year figures.

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 2011 include the financial statements of the Company, its subsidiaries, its jointly controlled entities and its associates for the year ended 31 December 2011.

Subsidiaries are entities that the parent company, directly or indirectly, controls their financial and operating policies through the majority of shares. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control no longer exists.

Inter-company balances and inter-company transactions, as well as unrealised profits from transactions between Group companies, are eliminated for the preparation of the consolidated financial statements.

Because the power to manage was conceded for the existing companies that supply natural gas (EPAs) from EDA S.A. to institutional investors who participate in the share capital of those companies by 49%, these companies were considered as jointly controlled entities for consolidation purposes, despite the fact that the Group holds 51% majority participation in their share capital.

A jointly controlled entity is an entity over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. These entities are consolidated using the proportional consolidation method, taking into account the Group's share at the consolidation date. According to this method, the Group recognizes its share of all categories of income, expenses, assets, liabilities and cash flows of the jointly controlled company within the corresponding categories that appear in the consolidated financial statements. The Group recognizes the share of gains or losses arising from the sales of fixed assets between the jointly controlled companies and the Group that corresponds to the other partners of the respective jointly controlled company.

The Group does not recognize its corresponding share of gains or losses arising from the acquisition of assets from the jointly controlled company, until it resells the specific assets to a third party. However, if the loss deriving from the transaction indicates that there is a decrease of the net realizable value or an impairment, then this loss is recognized immediately.

Associates are all 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 companies 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 companies and associates is the same with that of the parent company.

Investments in subsidiaries, associates and jointly controlled companies 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 translation of foreign currency

The Group's functional and presentation currency is the Euro (EUR). Transactions that are carried out in a foreign currency are translated to the respective functional currency at exchange rates at the dates of the transactions. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the exchange rate of that date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of balances of monetary assets and liabilities denominated in foreign currencies at closing exchange rates 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 original acquisition cost of property, plant and equipment includes the purchase price any import tariffs and non-refundable purchase taxes, compensation 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 and the cost of the expense can be measured reliably. Ongoing repair and maintenance is expensed as incurred.

Any gain or loss on disposal or retirement of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Depreciation is calculated on a straight-line basis in profit or loss over the estimated useful life of each component.

The estimated useful life, for each type of fixed asset, is as follows:

Buildings	1-20	years
Machinery and equipment	7-40	years
Motor vehicles	5-7	years
Furniture and fixtures	3-7	years

Residual values and useful lives are reviewed at each reporting date and adjusted where appropriate. 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 or loss.

3.4. Intangible Assets

3.4.1 Rights of use

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

The subsidiary company 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 Company has commenced the procedures regarding the acquisition of the island from the Greek Government.

3.4.2 Software Programs

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

The depreciation charge for the software programs 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 or 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 obtainable 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 to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized. In such situations the above mentioned reversal is recognized as income. For the year ended 31 December 2011 there was no impairment of the Group's non-financial assets.

3.6 Financial Instruments

A financial instrument consists of every contract that creates a financial asset in one party and a financial liability or equity instrument in the other 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
- Held to maturity financial assets
- Available for sale financial assets

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

a) Loans and receivables

Non-derivative financial assets include 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 12 months after the statement of financial position date. These assets are classified as non-current assets.

Trade receivables from customers 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 in the position to collect all the 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 or loss as an expense. Trade and other receivables include bills of exchange and promissory notes receivable. Subsequent recoveries of amounts for which a provision had been recorded, are recognized to the profit or 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 presented in the statement of financial position only when there is a legal right to offset these amounts and there is intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

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

3.7 Inventories

Inventories, includes 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 is calculated based on the weighted average cost method, which includes all expenses necessary to bring inventories to their current location and condition and comprises an allocation of the pipeline's construction and maintenance cost, as well as the cost of natural gas purchases.

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 equity, net of tax.

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. The expense for current income tax includes the income tax arising based on the profits of each entity as they are adjusted in their tax returns, additional income tax arising under specific law provisions or under tax audits by tax authorities and provisions for additional taxes and surcharges for unaudited periods and is calculated based on the tax rates that are applicable at the reporting date.

Deferred tax is calculated using the liability method, based on valid tax rates that are enacted or substantially enacted at the balance sheet date, applied on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. If the deferred income tax derives from the initial recognition of an asset or a liability in a transaction other than a business combination, it influences neither accounting profits/losses nor taxable profits/losses and, therefore, it is not taken into account.

Deferred tax assets are recognized for all deductible temporary differences, tax losses carried-forward and the carried-forward rights of tax-free discount based on investment laws to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, tax losses carried-forward and the carried-forward transferred rights of tax-free discount based on investment laws can be reclaimed.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced at the time where it is not probable that sufficient taxable income will be generated against which part or all of the deferred tax asset will be utilised.

3.11 Employee Benefits

(a) Short term benefits

Short-term personnel benefits in the form of cash or in kind are recorded as an expense when these accrue.

(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 legal entity without any other legal or constructive obligation to pay further amounts. Obligations towards benefits in defined contribution plan are recognized as an expense in profit and loss in the period during which related services are rendered by employees.

(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-recognised actuarial profits and losses and past service costs. The defined benefit obligation is calculated by an independent actuary with the projected unit credit method. The discount rate relates to corporate bonds of Eurozone.

Actuarial gains and losses that arise from adjustments based on historic data that are above or below the margin of 10% of the accumulated liability are recorded in the statement of comprehensive income within the expected average insurance term of the plan's participants. Past service costs are recorded directly in the statement of comprehensive income, except where changes to the plan depend on the remaining term of the employee's past service. In this case, past service costs are recorded in the profit or loss on a straight line basis until the benefits become vested.

(d) Employment termination benefits

Employment termination benefits are paid when employees decide to retire earlier than the respective date of retirement. The Group records these benefits when it is bound, or when it terminates the employment of existing employees based on a detailed schedule for which there is no possibility of withdrawal or when it offers these benefits as an incentive for voluntary retirement. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of employment termination in 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 recorded as a potential liability.

3.12 Government Grants

Grants are recognized at their fair value when it is certain that the grant will be received and the Group will comply with all stipulated terms. Government grants relating to costs incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognized in profit or loss on a systematic basis over the useful life of the related assets.

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 more 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 re-examined 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 utilised in the long-term, when the time value of money is significant, are calculated by discounting the projected cash flows with a pre tax rate which reflects the current market assessments for the time value of money and if applicable the relative risks of the specific liability. Contingent liabilities are not recognised in the financial statements but are disclosed, unless the possibility of an outflow of resources that incorporate economic benefits is increased and that simultaneously this possible outflow can be measured with relative accuracy. Contingent assets are not recognised 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 up to 60 days.

3.15 Revenue recognition

Revenue from the provision of services based on the stage of completion, which is defined by reference to the services provided so far, as a percentage of the total amount of the services that are provided under the contract. Income from sales of goods is recognized when the significant risks and rewards are transferred to the buyer.

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

(a) Sale of Gas

The Group invoices its customers for gas supply at each period-end. At year end, a provision of accrued revenue is established by making estimates relating to settlement of issued bills for natural gas, based on signed contracts, and on retroactive settlements of differences in issued bills in case of revision of natural gas purchase price, based on signed contracts.

(b) Gas transportation fees

(c) Connection fees

The Group receives connection fees from all types of consumers at the time the contract is signed. These charges are related to the amount that the client pays in order to acquire the right to access the Natural Gas network. Small commercial and domestic consumers sign an open-end contract, while large industrial and commercial clients sign contracts for three to five years duration. Connection fees paid by consumers, is recognized as income which is not related to the provision of future services by the Group and is recognised in the Statement of Comprehensive Income upon signing the contract and after completion of the connection. If connection fees is related to future services, then they are included in the statement of financial position as deferred income.

(d) Dividend Income

Dividend income is recognized in the income statement on the date that the dividend is approved from the appropriate bodies of the related companies.

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

All of the 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 for operating leases are recognised in the profit or loss during the period of the lease on a straight line basis. In case a lease contract is cancelled before its maturity, any payment made to the lessor as compensation, is recognised as an expense in the period the cancellation 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 or loss on an accrual basis. Payments for operating leases are charged to the profit or loss as the leased asset is used.

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 estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amount of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical information and other factors and data considered reasonable and reviewed on a regular basis. The effect of the revisions of estimates and assumptions adopted is 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 and possible outcome in relation to future events and transactions. These estimates and assumptions are reviewed on an ongoing basis to reflect the current risks 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 financial year are addressed below:

Provision for doubtful debts

The Group impairs trade receivables when there is objective evidence that the recovery of each claim in whole or in part is not probable. Management of the Group periodically reassess the adequacy of accumulated bad debt provisions in relation to its credit policy, taking into account data from the Group's Legal Services department, which are the result of processing historic data and recent developments of cases they deal with.

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 ultimate tax determination is uncertain. Where the final tax outcome of these transactions is different from the amounts initially recorded, such differences impact the current income tax and income tax provisions of the period in which they incur.

Recognition of revenue and accrued income

The Group makes estimates for unbilled revenue on natural gas consumption. At year end, a provision for accrued revenue is recognised including estimates for the settlement of issued bills of natural gas, and on retrospective settlements of differences in various bills issued, in case of revision of natural gas purchase prices, based on signed contracts.

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 certain factors 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 assesses 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.

Fair value estimation

The Group's basic financial instruments are cash, bank deposits, trade and other receivables and payables as well as borrowings from banks. Due to the short term nature of these instruments, management believes that their fair value is essentially equal to their carrying amount.

5. New standards, amendments to standards and interpretations

New standards have been issued, or amendments to standards and interpretations, which are effective for annual periods beginning after 31 December 2011 and have not been applied in the preparation of these financial statements. Management will examine the effect, but none of those new standards is expected to have significant impact on the Group's financial statements, except for IFRS 11 "Joint arrangements", which will be compulsory for 2013 financial statements and will possibly alter the consolidation method for joint control entities. The Group is not expected to adopt the new standard before that date, so its effect has not been calculated. Due to the nature of Group's business, this standard is expected to have material effect on Group's financial statements.

6. Merger with a subsidiary

According to a Board of Directors Resolutions (DEPA S.A. on 24 February 2010 and EDA S.A. on 18 March 2010), DEPA S.A. absorbed its 100% held owned subsidiary EDA S.A. from 31 March 2010. On 23 December 2010, the responsible Prefecture approved the merger between the subsidiary and the parent company.

The Company considered this merger as a liquidation of the existing investment in the subsidiary by replacing the investment with the values included in the consolidated financial statements for the relevant subsidiary.

In the stand-alone financial statements of the parent Company, after the subsidiary's merge, in order to account for the difference between the carrying amount of the subsidiary's net assets and the carrying amount of the investment in the subsidiary, the Company allocated the difference between the profit and loss for the period and other comprehensive income, directly in equity. The Company included the results of the absorbed subsidiary from the effective date (31 March 2010) and until the date when the merger was completed (23 December 2010) in the profit and loss for the year, while the remaining difference was registered in Other Comprehensive Income.

As a result, upon the completion of the merger on 23rd December 2010, the Statement of Comprehensive Income of DEPA S.A. also includes the results of EDA S.A. for the period from 1 April until 23 December 2010.

The profit or loss of the parent company have been charged with depreciation for property, plant and equipment from the subsidiary amounting to EUR 15,398,265 for the period 01/04-31/12/2010.

EDA S.A. has contributed to the financial statements of DEPA S.A. turnover of EUR 24.1 million and Profit before income tax for an amount of EUR 20.5 million. If the merger of the two entities had taken place from the beginning of the year (1/1/2010), total sales would have increased by EUR 7.8 million and Profit before income tax by EUR 1.6 million.

The merger between the subsidiary EDA S.A. and the parent company DEPA S.A. had no effect on the consolidated financial statements.

(All amounts are expressed in EUR unless otherwise stated)

7. Revenue

Revenue on a group and company level are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Sale of gas-wholesale	1,483,630,211	998,668,866	1,701,209,228	1,159,492,637
Sale of gas-retail	212,150,409	150,426,604	-	-
Income from amortization of rights	16,489,232	11,821,348	33,651,495	24,125,199
Connection fees	8,110,441	5,022,501	-	-
Other services	615,740	746,604	-	-
Sales of materials	123,139	125,934	3,046	15,249
Gas transit fees and other network services	39,974,293	49,895,660	-	-
	1,761,093,465	**1,216,707,517**	**1,734,863,769**	**1,183,633,085**

8. Administrative Expenses

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

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Staff costs	12,882,230	14,510,673	4,819,431	5,636,277
Third party fees	11,324,442	9,533,776	5,399,945	4,474,660
Utilities	4,536,678	3,020,065	1,280,296	1,061,870
Taxes and duties	1,169,757	1,942,408	1,048,606	1,482,658
Other expenses	5,445,761	4,009,350	1,535,038	1,148,681
Interest expense and similar charges	8,751	-	-	-
Provisions	1,141,461	432,055	999,370	422,193
Depreciation and amortization expenses	685,185	820,952	354,891	314,478
Total	**37,194,265**	**34,269,279**	**15,437,577**	**14,540,817**

(All amounts are expressed in EUR unless otherwise stated)

9. Distribution Expenses

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Consumption-losses	2,496,978	2,207,348	2,495,280	2,178,366
Staff costs	3,915,441	3,702,764	632,237	1,005,543
Third party fees	4,069,942	1,990,292	1,341,668	1,124,337
Utilities	1,554,848	826,545	502,740	424,172
Taxes and duties	598,563	99,774	140,088	68,991
Other Expenses	4,807,782	6,855,754	4,329,924	3,714,130
Provisions for doubtful debts	4,835,216	12,135	4,650,136	6,233
Depreciation and amortization expenses	727,425	485,905	472,485	229,846
Total	**23,006,195**	**16,180,517**	**14,564,558**	**8,751,618**

10. Other operating income/ (expenses)

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Grants and other income from sales	1,547,581	840,650	-	-
Income from side activities	8,039,915	2,611,968	1,044,797	546,422
Other financial income	25,348	325,516	-	303,452
Other income	2,042,059	1,298,073	823,954	197,391
Release of provisions for extraordinary risks	7,351,684	821,111	6,813,436	112,258
Total other operating income	**19,006,587**	**5,897,318**	**8,682,187**	**1,159,523**

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Provision for extraordinary risks	(36,825,218)	(4,309,436)	(36,955,147)	(4,779,297)
Other	(278)	(701)	(267)	(629)
Accrued expenses	(4,208,891)	(2,695,228)	(1,386,683)	(903,819)
Provision for doubtful customers	(39,880,786)	(10,000,000)	(30,880,787)	-
Total other operating expense	**(80,915,173)**	**(17,005,365)**	**(69,222,884)**	**(5,683,745)**

(All amounts are expressed in EUR unless otherwise stated)

11. Financial Costs and Income

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

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Interest expense	(13,308,730)	(13,905,054)	-	-
Other financial expenses	(4,859,844)	(8,506,881)	(4,723,828)	(8,353,940)
Total financial expenses	**(18,168,574)**	**(22,411,935)**	**(4,723,828)**	**(8,353,940)**

Financial income for the Group and Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Interest income and related income	35,215,665	18,842,862	26,968,297	13,581,888
Other financial income	35,055	2,982	-	-
Total financial income	**35,250,720**	**18,845,844**	**26,968,297**	**13,581,888**

12. Foreign currency translation differences(losses)/gains

Foreign exchange differences for the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Loss from foreign exchange differences	(24,699,686)	(13,072,041)	(24,738,149)	(12,923,829)
Gain from foreign exchange differences	13,103,807	7,502,176	13,103,141	7,500,925
Net losses on Foreign Exchange Differences	**(11,595,879)**	**(5,569,865)**	**(11,635,008)**	**(5,422,904)**

(All amounts are expressed in EUR unless otherwise stated)

13. Income Tax

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Current tax	(40,636,634)	(69,590,892)	(8,954,321)	(48,681,779)
Prior years' taxes	(2,686,728)	(4,439,427)	(873,641)	-
Deferred tax	(10,485,320)	12,508,143	(7,854,294)	13,520,672
Total taxes recognized in the Statement of Comprehensive Income	**(53,808,682)**	**(61,522,176)**	**(17,682,256)**	**(35,161,107)**

	GROUP				COMPANY			
	%	31/12/2011	%	31/12/2010	%	31/12/2011	%	31/12/2010
Profit before tax		**244,731,159**		**152,316,364**		**112,316,878**		**93,737,524**
Tax using the Company's tax rate (2011:20%, 2010:24%)	20%	48,946,231	24%	36,555,928	20%	22,463,375	24%	22,497,006
Special contribution	-	-	11%	17,420,030	-	-	17%	15,661,391
Non deductible expenses	1%	2,905,421	3%	4,515,611	1%	671,827	2%	1,414,997
Prior years' tax	1%	2,686,728	3%	4,439,427	1%	873,641	-	-
Additional tax	-	3,945	0%	3,974	-	3,794	-	3,974
Other taxes and provisions for tax	(1%)	(1,385,594)	2%	2,497,908	(1%)	(1,385,594)	-	449,054
Non taxable income	(2%)	(5,905,109)	(1%)	(1,588,749)	(6%)	(6,256,082)	(5%)	(4,865,315)
Other	3%	6,557,061	(2%)	(2,321,953)	1%	1,311,295	-	-
Total	**22%**	**53,808,682**	**40%**	**61,522,176**	**16%**	**17,682,256**	**38%**	**35,161,107**

(All amounts are expressed in EUR unless otherwise stated)

14. Depreciation and Amortization

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

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cost of sales	65,294,883	64,407,614	20,248,629	18,390,115
Administrative expenses	685,185	820,952	354,891	314,478
Distribution expenses	727,425	485,905	472,485	229,846
Financial expenses	6,841	7,671	6,841	7,671
Total depreciation of the year	**66,714,334**	**65,722,142**	**21,082,846**	**18,942,110**
Less:				
Amortisation of grants	(19,326,453)	(9,355,729)	(1,440,245)	(1,282,716)
Net result of depreciation costs in the profit or loss	**47,387,881**	**56,366,413**	**19,642,601**	**17,659,394**

(All amounts are expressed in EUR unless otherwise stated)

15. Property, Plant and Equipment

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

	GROUP						
	Land	**Buildings and installations**	**Machinery and Plant**	**Transportation means**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2010	**8,667,347**	**89,881,185**	**2,133,298,108**	**2,329,714**	**39,231,371**	**85,820,995**	**2,359,228,720**
Additions	-	661,319	25,153,481	2,161	367,810	83,907,982	**110,092,753**
Borrowing costs during construction period	-	-	-	-	-	2,554,333	**2,554,333**
Disposals	-	(37,229)	(783)	(78,890)	(110,769)	-	**(227,671)**
Transfers to property, plant and equipment	-	1,901,838	34,922,472	-	856,448	(37,680,758)	**-**
Transfers to rights	-	-	-	-	-	(9,657,967)	**(9,657,967)**
Transfers to trade receivables	-	-	-	-	-	(774,377)	**(774,377)**
Balance as at 31/12/2010	**8,667,347**	**92,407,113**	**2,193,373,278**	**2,252,985**	**40,344,860**	**124,170,208**	**2,461,215,791**
Accumulated depreciation							
Balance as at 1/1/2010	**-**	**42,583,702**	**407,246,371**	**2,175,939**	**33,613,770**	**-**	**485,619,782**
Additions	-	4,958,150	58,354,824	89,118	1,401,422	-	**64,803,514**
Disposals	**-**	(1,463)	20	(76,016)	(101,204)	-	**(178,663)**
Balance as at 31/12/2010	**-**	**47,540,389**	**465,601,215**	**2,189,041**	**34,913,988**	**-**	**550,244,633**
Net Book Value							
Balance as at 1/1/2010	**8,667,347**	**47,297,483**	**1,726,051,737**	**153,775**	**5,617,601**	**85,820,995**	**1,873,608,938**
Balance as at 31/12/2010	**8,667,347**	**44,866,724**	**1,727,772,063**	**63,944**	**5,430,872**	**124,170,208**	**1,910,971,158**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP						
	Land	**Buildings and installations**	**Machinery and Plant**	**Transportation means**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2011	**8,667,347**	**92,407,113**	**2,193,373,278**	**2,252,985**	**40,344,860**	**124,170,208**	**2,461,215,791**
Additions	-	98,924	44,767,636	6,068	653,297	73,076,000	**118,601,925**
Borrowing costs during construction period	-	-	-	-	-	2,440,789	**2,440,789**
Disposals	-	(7,686)	(1,159)	(39,717)	(359,936)	(2,535,591)	**(2,944,089)**
Transfers to property, plant and equipment	50,000	2,198,496	10,800,667	-	4,512,398	(17,561,561)	**-**
Transfers to rights	-	-	-	-	-	(23,022,037)	**(23,022,037)**
Transfers to trade receivables/liabilities	-	-	-	-	-	(67,239)	**(67,239)**
Other	-	1,444	700	32,845	51,687	-	**86,676**
Balance as at 31/12/2011	**8,717,347**	**94,698,291**	**2,248,941,122**	**2,252,181**	**45,202,306**	**156,500,569**	**2,556,311,816**
Accumulated depreciation							
Balance as at 1/1/2011	**-**	**47,540,389**	**465,601,215**	**2,189,041**	**34,913,988**	**-**	**550,244,633**
Additions		4,757,246	58,929,099	34,373	1,918,779	-	**65,639,497**
Disposals	**-**	-	-	(39,447)	(355,991)	-	**(395,438)**
Other	-	1,446	709	32,401	51,080	-	**85,636**
Balance as at 31/12/2011	**-**	**52,299,081**	**524,531,023**	**2,216,368**	**36,527,856**	**-**	**615,574,328**
Net Book Value							
Balance as at 1/1/2011	**8,667,347**	**44,866,724**	**1,727,772,063**	**63,944**	**5,430,872**	**124,170,208**	**1,910,971,158**
Balance as at 31/12/2011	**8,717,347**	**42,399,210**	**1,724,410,099**	**35,813**	**8,674,450**	**156,500,569**	**1,940,737,488**

(All amounts are expressed in EUR unless otherwise stated)

	COMPANY						
	Land	Buildings and installations	Machinery and Plant	Transportation means	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2010	**726,648**	**7,281,551**	**76,409,984**	**128,424**	**5,311,762**	**21,351,941**	**111,210,310**
Additions	-	307,233	-	-	82,847	8,554,439	**8,944,519**
Disposals	-	-	-	(46,045)	-	-	**(46,045)**
Transfers to property, plant and equipment	-	37,651	15,040,532	-	-	(15,078,183)	**-**
Transfers to trade receivables	-	-	-	-	-	(281,796)	**(281,796)**
Tangible assets from absorption	618,562	-	660,035,483	-	130,770	-	**660,784,815**
Balance as at 31/12/2010	**1,345,210**	**7,626,435**	**751,485,999**	**82,379**	**5,525,379**	**14,546,401**	**780,611,803**
Accumulated depreciation							
Balance as at 1/1/2010	**-**	**3,641,291**	**8,751,051**	**123,555**	**2,943,107**	**-**	**15,459,004**
Additions	-	827,643	2,395,790	3,246	443,583	-	**3,670,262**
Disposals	-	(20)	20	(46,045)		-	**(46,045)**
Depreciation from absorption	-	-	91,264,118	-	118,617	-	**91,382,735**
Balance as at 31/12/2010	**-**	**4,468,914**	**102,410,979**	**80,756**	**3,505,307**	**-**	**110,465,956**
Net Book Value							
Balance as at 1/1/2010	**726,648**	**3,640,260**	**67,658,933**	**4,869**	**2,368,655**	**21,351,941**	**95,751,306**
Balance as at 31/12/2010	**1,345,210**	**3,157,521**	**649,075,020**	**1,623**	**2,020,072**	**14,546,401**	**670,145,847**
Net Book Value from merger with subsidiary	**618,562**	**-**	**568,771,365**	**-**	**12,153**	**-**	**569,402,080**

(All amounts are expressed in EUR unless otherwise stated)

	COMPANY						
	Land	Buildings and installations	Machinery and Plant	Transportation means	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2011	**1,345,210**	**7,626,435**	**751,485,999**	**82,379**	**5,525,379**	**14,546,401**	**780,611,803**
Additions	-	3,500	44,569,559	-	135,483	8,726,339	**53,434,881**
Disposals/write- offs	-	-	-	(21,640)	-	(772,602)	**(794,242)**
Transfers to liabilities	-	-	-	-	-	(19,558)	**(19,558)**
Transfers to property, plant and equipment	-	-	3,349,488	-	-	(3,349,488)	**-**
Other	-	1,444	700	32,845	51,687	-	**86,676**
Balance as at 31/12/2011	**1,345,210**	**7,631,379**	**799,405,746**	**93,584**	**5,712,549**	**19,131,092**	**833,319,560**
Accumulated depreciation							
Balance as at 1/1/2011	**-**	**4,468,914**	**102,410,979**	**80,756**	**3,505,307**	**-**	**110,465,956**
Additions	-	562,382	19,768,565	1,797	490,676	-	**20,823,420**
Disposals/write- offs	-	-	-	(21,370)	-	-	**(21,370)**
Other	-	1,446	709	32,401	51,080	-	**85,636**
Balance as at 31/12/2011	**-**	**5,032,742**	**122,180,253**	**93,584**	**4,047,063**	**-**	**131,353,642**
Net Book Value							
Balance as at 1/1/2011	**1,345,210**	**3,157,521**	**649,075,020**	**1,623**	**2,020,072**	**14,546,401**	**670,145,847**
Balance as at 31/12/2011	**1,345,210**	**2,598,637**	**677,225,493**	**-**	**1,665,486**	**19,131,092**	**701,965,918**

(All amounts are expressed in EUR unless otherwise stated)

16. 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						
On 1/1/2010	**6,257,652**	**28,674,165**	**34,931,817**	**598,683**	**4,651,225**	**5,249,908**
Additions	270,972	830,622	**1,101,594**	108,509	14,353	**122,862**
Transfers	-	(21)	**(21)**	-	(21)	**(21)**
Total at 31/12/2010	**6,528,624**	**29,504,766**	**36,033,390**	**707,192**	**4,665,557**	**5,372,749**
Accumulated depreciation						
On 1/1/2010	**5,316,360**	**9,071,363**	**14,387,723**	**566,314**	**774,149**	**1,340,463**
Additions	497,874	806,924	**1,304,798**	33,295	193,293	**226,588**
Disposals	-	-	**-**	-	-	**-**
Total at 31/12/2010	**5,814,234**	**9,878,287**	**15,692,521**	**599,609**	**967,442**	**1,567,051**
Net book value						
On 1/1/2010	**941,292**	**19,602,802**	**20,544,094**	**32,369**	**3,877,076**	**3,908,644**
On 31/12/2010	**714,390**	**19,626,479**	**20,340,869**	**107,583**	**3,698,115**	**3,805,698**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
On 1/1/2011	**6,528,624**	**29,504,766**	**36,033,390**	**707,192**	**4,665,557**	**5,372,749**
Additions	310,483	1,089,039	**1,399,522**	97,243	-	**97,243**
Disposals	-	(166,536)	**(166,536)**	-	-	**-**
Transfers	-	307,227	**307,227**	-	-	**-**
Total at 31/12/2011	**6,839,107**	**30,734,496**	**37,573,603**	**804,435**	**4,665,557**	**5,469,992**
Accumulated depreciation						
On 1/1/2011	**5,814,234**	**9,878,287**	**15,692,521**	**599,609**	**967,442**	**1,567,051**
Additions	424,152	650,683	**1,074,835**	65,880	193,546	**259,426**
Disposals	-	-	**-**	-	-	**-**
Total at 31/12/2011	**6,238,386**	**10,528,970**	**16,767,356**	**665,489**	**1,160,988**	**1,826,477**
Net book value						
On 1/1/2011	**714,390**	**19,626,479**	**20,340,869**	**107,583**	**3,698,115**	**3,805,698**
On 31/12/2011	**600,721**	**20,205,526**	**20,806,247**	**138,946**	**3,504,569**	**3,643,515**

(All amounts are expressed in EUR unless otherwise stated)

17. Investments in subsidiaries and associates

The Group consists of the following companies:

COMPANY	LOCATION	PRINCIPAL ACTIVITY	CONSOLIDATION METHOD	PARTICIPATION RELATIONSHIP	PARTICIPATION 31.12.2011	PARTICIPATION 31.12.2010
DEPA S.A.	Athens	Import, distribution and sale of Natural Gas	Full Consolidation	-	Parent	Parent
I. Subsidiaries						
DESFA S.A.	Athens	Manager of the national system of natural gas	Full Consolidation	Direct	100,0%	100,0%
II. Jointly controlled companies						
EPA ATTIKI S.A.	Athens	Distribution and sale of Natural Gas	Proportional consolidation	Direct	51,0%	51,0%
EPA THESSALONIKI S.A.	Thessaloniki	Distribution and sale of Natural Gas	Proportional consolidation	Direct	51,0%	51,0%
EPA THESSALIA S.A.	Thessalia	Distribution and sale of Natural Gas	Proportional consolidation	Direct	51,0%	51,0%
Y.A.F.A. POSEIDON S.A.	Athens	Construction & operation of submarine gas pipeline between Greece and Italy	Equity method	Direct	50,0%	50,0%
SOUTH STREAM NATURAL GAS PIPELINE S.A.	Athens	Development, financing, construction, operation & maintenance south stream natural gas pipeline	Equity method	Indirect	50,0%	-
ICGB AD	Sofia	Development, planning, financing, construction, management operation & maintenance natural gas pipeline of ICGB	Equity method	Indirect	25,0%	-

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

(All amounts are expressed in EUR unless otherwise stated)

The Company's and Group's investment in subsidiaries and associates is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Investments in subsidiaries				
DESFA S.A.	-	-	629,341,478	629,341,478
Investments in jointly controlled entities				
EPA Attiki S.A.	-	-	150,374,316	150,374,316
EPA Thessaloniki S.A.	-	-	131,036,960	166,736,960
EPA Thessalia S.A.	-	-	44,317,432	44,317,432
Investments in subsidiaries and jointly controlled entities at cost	-	-	955,070,186	990,770,186
Investments in *associates*				
YAFA POSEIDON S.A.	8,126,606	6,283,948	11,050,000	8,000,000
SOUTH STREAM NATURAL GAS PIPELINE S.A.	340,953	30,000	-	-
Investments in associates at cost	**8,467,559**	**6,313,948**	**11,050,000**	**8,000,000**

Specific financial information for associates:

Name	Country of registration	Assets	Liabilities	Revenue	Profit (loss)	% Participation Percentage
Y.A.F.A. POSEIDON SA	GREECE	24,922,161	8,668,949	-	(2,414,683)	50%
SOUTH STREAM Natural Gas Pipeline SA	GREECE	682,073	-	-	(28,094)	50%

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening Balance	6,313,947	388,115	8,000,000	1,250,000
Additions	3,375,000	6,780,000	3,050,000	6,750,000
Share of loss from associate (after tax and minority interests)	(1,221,388)	(854,167)	-	-
Closing Balance	**8,467,559**	**6,313,948**	**11,050,000**	**8,000,000**

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 S.A**

The Group owns 50% of the shares of company Y.A.F.A. POSEIDON SA which was established on 12/6/08 between the parent company D.EP.A SA Group 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. The company, Y.A.F.A. POSEIDON S.A, will design, construct and operate the underwater natural gas pipeline between Greece and Italy. The General Shareholders Meeting of the company Y.A.F.A. POSEIDON SA, decided to increase its share capital. The Parent Company participated by an amount of EUR 3,050,000 in order to maintain its holding as at 31 December 2011 (50%).

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

The Group owns 50% of the shares in SOUTH STREAM NATURAL GAS PIPELINE S.A. which was established on 13/7/2010. The Administrator of the national system of natural gas (DESFA S.A.) and the company OAO GAZPROM participated in the share capital of the company with an equal percentage of 50%. The purpose of the company is: a) the development, financing, construction, management, operation and maintenance of the natural gas pipeline South Stream, owned by the company, which is located in Greece, and b) to provide supporting services and to conduct any relevant research regarding the aforementioned activities in (a). DESFA S.A. maintained its percentage of interest in share capital as at 31st December 2011 (50%) with a contribution of EUR 325,000.

- **«INTERCONNECTOR GREECE BULGARIA AD»**

The Group owns 25% of the shares of company INTERCONNECTOR GREECE BULGARIA AD which was incorporated on 5 January 2011. IGI Poseidon S.A. and the bulgarian company Energy Holding EAD participated in the share capital of the company with an equal percentage of 50%. The purpose of the company is: a) the development, planning, finance, management, construction, operation and maintenance of the natural gas pipeline IGB, owned by the company, b) the ownership of IGB's pipeline, c) the management of IGB, the transfer capacity through pipelines and make transfer agreements for IGB, d) to undertake contracts for the interconnection of pipelines on tangent points and the premises of IGB. The registered share capital of "ICGB AD" is EUR 4,400,000 as at 31st December 2011, out of which EUR 4,000,000 is fully paid in. IGI Poseidon S.A. participates in the share capital of "ICGB AD" with a 50% holding. According to the General Meeting of Shareholder of "ICGB AD" held on 25 October 2011, the share capital increase was decided by an amount of EUR 400,000 through the issuance of new shares. Share capital increase was paid on 23 January 2012.

(All amounts are expressed in EUR unless otherwise stated)

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 for determination of taxable income from tax authorities. In these cases the recognition of deferred tax asset or liability is required.

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Deferred tax liabilities				
Revenue from one-off payment of taxes	(85,422)	(85,422)	(85,422)	(85,422)
Tax free reserves	(437,022)	(583,553)	(382,828)	(529,359)
Loan costs	(11,687)	(13,529)	-	-
Write off of intangible assets	(84)	(72)	(84)	(72)
Effect of exchange rate differences	(10,910)	(131,369)	-	(124,782)
Capitalization of borrowing costs	(1,118,863)	(630,705)	-	-
Revenue from EPA networks	(293,801)	-	(293,801)	-
Subsidies on fixed assets investments	(34,089)	(44,070)	-	-
Other adjustments	-	(42,864)	-	-
	(1,991,878)	**(1,531,584)**	**(762,135)**	**(739,635)**
Deferred tax assets				
Provision for doubtful customers	14,515,522	8,493,039	14,515,522	8,493,039
Provision for inventory obsolescence	1,762,609	1,765,424	333,402	333,402
Employee benefits obligations	4,467,912	4,686,905	1,138,725	1,237,877
Revaluation of fixed assets	(49,213)	201,130	(6,240)	(2,613)
Establishment costs	732,117	934,919	-	-
Depreciation	223,073	90,030	223,073	90,030
Provisions for legal cases	485,727	485,727	485,727	485,727
Government grants on fixed assets	3,178,296	3,296,537	3,178,295	3,296,537
Other provisions	33,901,815	47,553,435	30,255,907	44,022,206
Other adjustments	191,623	96,613	-	-
Intangible assets	166,367	59,779	-	-
Connection fees	1,062,944	1,120,388	-	-
Tax losses carried forward	-	1,879,892	-	-
	60,638,792	**70,663,819**	**50,124,411**	**57,956,205**
Net deferred tax assets in the statement of financial position	**58,646,914**	**69,132,234**	**49,362,276**	**57,216,570**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			
	31/12/2009	**Debits (Credits) in profit or loss**	**Reclassification to income tax**	**31/12/2010**
Deferred tax liabilities				
Revenue from one-off payment of taxes	(15,628)	(69,794)	-	(85,422)
Tax free reserves	(583,553)	-	-	(583,553)
Loan costs	(15,229)	1,700	-	(13,529)
Write off of intangible assets	-	(72)	-	(72)
Effect of foreign exchange rate differences	(7,061)	(124,308)	-	(131,369)
Capitalization of borrowing costs	(119,838)	(510,867)	-	(630,705)
Subsidies on fixed assets investments	(59,858)	15,788	-	(44,070)
Other adjustments	(42,864)	-	-	(42,864)
	(844,031)	**(687,553)**	**-**	**(1,531,584)**
Deferred tax assets				
Provision for doubtful customers	8,771,702	(278,663)	-	8,493,039
Provision for inventory obsolescence	1,633,797	131,628	-	1,765,425
Employee benefits obligation	4,457,685	229,220	-	4,686,905
Revaluation of fixed assets	559,712	(358,583)	-	201,129
Establishment costs	1,114,362	(179,443)	-	934,919
Depreciation	111,606	(21,576)	-	90,030
Provisions for legal cases	636,839	(151,112)	-	485,727
Government grants on fixed assets	4,418,413	(1,121,876)	-	3,296,537
Other provisions	31,169,149	15,570,644	813,643	47,553,435
Other adjustments	108,589	(11,976)	-	96,613
Intangible assets	-	59,779	-	59,779
Connection fees	1,212,256	(91,868)	-	1,120,388
Tax losses carried forward	2,460,369	(580,477)	-	1,879,892
	56,654,479	**13,195,697**	**813,643**	**70,663,818**
Net deferred tax assets in the statement of financial position	**55,810,448**	**12,508,143**	**813,643**	**69,132,234**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		
	31/12/2010	Debits (Credits) in profit or loss	31/12/2011
Deferred tax liabilities			
Revenue from one-off payment of taxes	(85,422)	-	(85,422)
Tax free reserves	(583,553)	146,531	(437,022)
Loan costs	(13,529)	1,842	(11,687)
Write off of intangible assets	(72)	(12)	(84)
Effect of exchange rate differences	(131,369)	120,459	(10,910)
Capitalization of borrowing costs	(630,705)	(488,158)	(1,118,863)
Revenues from EPA networks	-	(293,801)	(293,801)
Subsidies on fixed assets investments	(44,070)	9,981	(34,089)
Other adjustments	(42,864)	42,864	-
	(1,531,584)	**(460,294)**	**(1,991,878)**
Deferred tax assets			
Provision for doubtful customers	8,493,039	6,022,483	14,515,522
Provision for inventory obsolescence	1,765,425	(2,816)	1,762,609
Employee benefits obligation	4,686,905	(218,993)	4,467,912
Revaluation of fixed assets	201,129	(250,342)	(49,213)
Establishment costs	934,919	(202,802)	732,117
Depreciation	90,030	133,043	223,073
Provisions for legal cases	485,727	-	485,727
Government grants on fixed assets	3,296,537	(118,242)	3,178,296
Other provisions	47,553,435	(13,651,617)	33,901,815
Other adjustments	96,613	95,009	191,623
Intangible assets	59,779	106,588	166,367
Connection fees	1,120,388	(57,445)	1,062,944
Tax losses carried forward	1,879,892	(1,879,892)	-
	70,663,819	**(10,025,026)**	**60,638,792**
Net deferred tax assets in the statement of financial position	**69,132,234**	**(10,485,320)**	**58,646,914**

(All amounts are expressed in EUR unless otherwise stated)

	COMPANY				
	31/12/2009	Deferred Tax from absorption	Debits (Credits) in profit or loss	Reclassification to income tax	31/12/2010
Deferred tax liabilities					
Revenue from one-off payment of taxes	(15,628)	-	(69,794)	-	(85,422)
Tax free reserves	(529,359)	-	-	-	(529,359)
Write off of intangible assets	-	-	(72)	-	(72)
Effect of exchange rate differences	-	-	(124,782)	-	(124,782)
	(544,987)	**-**	**(194,648)**	**-**	**(739,635)**
Deferred tax assets					
Provision for doubtful customers	8,771,702	-	(278,663)	-	8,493,039
Provision for inventory obsolescence	400,082	-	(66,680)	-	333,402
Employee benefits obligation	1,218,524	-	19,353	-	1,237,877
Revaluation of fixed assets	7,588	-	(10,201)	-	(2,613)
Depreciation	111,606	-	(21,576)	-	90,030
Provisions for legal cases	636,839	-	(151,112)	-	485,727
Deferred tax from absorption -Grants	-	3,337,826	(41,289)	-	3,296,537
Other provisions	28,820,177	-	14,265,488	936,541	44,022,206
	39,966,518	**3,337,826**	**13,715,320**	**936,541**	**57,956,205**
Net deferred tax assets in the statement of financial position	**39,421,531**	**3,337,826**	**13,520,672**	**936,541**	**57,216,570**

	COMPANY		
	31/12/2010	Debits (Credits) in profit or loss	31/12/2011
Deferred tax liabilities			
Revenue from one-off payment of taxes	(85,422)	-	(85,422)
Tax free reserves	(529,359)	146,531	(382,828)
Write off of intangible assets	(72)	(12)	(84)
Effect of exchange rate differences	(124,782)	124,782	-
Revenue from EPA networks	-	(293,801)	(293,801)
	(739,635)	**(22,500)**	**(762,135)**
Deferred tax assets			
Provision for doubtful customers	8,493,039	6,022,483	14,515,522
Provision for inventory obsolescence	333,402	-	333,402
Employee benefits obligation	1,237,877	(99,151)	1,138,726
Revaluation of fixed assets	(2,613)	(3,628)	(6,241)
Depreciation	90,030	133,043	223,073
Provisions for legal cases	485,727	-	485,727
Government grants on fixed assets	3,296,537	(118,242)	3,178,295
Other provisions	44,022,206	(13,766,299)	30,255,907
	57,956,205	**(7,831,794)**	**50,124,411**
Net deferred tax assets in the statement of financial position	**57,216,570**	**(7,854,294)**	**49,362,276**

(All amounts are expressed in EUR unless otherwise stated)

19. Inventories

Inventories for the Group and Company are analyzed as follows:

	GROUP		DEPA	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Natural Gas	26,815,821	19,270,789	17,159,260	11,293,614
Raw materials and maintenance parts of Natural Gas Pipeline	26,169,776	30,191,246	3,065,651	4,352,682
Total	52,985,597	49,462,035	20,224,911	15,646,296
Less: Provision for obsolescence	(8 885 541)	(8 794 497)	(1 667 008)	(1 667 008)
Total	**44,100,056**	**40,667,538**	**18,557,903**	**13,979,288**

The Group's subsidiary DESFA S.A. has made a provision for obsolete raw materials and maintenance parts of the natural gas pipeline of EUR 7,127 thousand as of 31st December 2011. The parent company of the Group, DEPA SA, has made a provision for obsolete raw materials and maintenance parts of the owned natural gas pipeline of EUR 1,667 thousand as of 31st December 2011.

(All amounts are expressed in EUR unless otherwise stated)

20. Trade and Other Receivables

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade Debtors	288,067,572	81,344,245	244,642,449	35,869,278
Notes Receivable	23,545,000	27,300,000	23,545,000	27,300,000
Notes Receivable Overdue	55,000	-	55,000	-
Cheques Receivable	3,004,657	15,189,471	2,511,258	14,889,273
Cheques Receivable Overdue	6,248,508	76,907	6,229,952	58,352
Short-term receivables from subsidiaries	-	-	4,539,331	22,838,824
Short-term receivables from associated companies	17,790,521	3,141,195	17,522,982	1,637,707
Trade Receivables	**338,711,258**	**127,051,818**	**299,045,972**	**102,593,434**
Income tax prepayment	7,105,191	26,023,667	7,010,697	25,984,103
V.A.T. receivable	4,988,347	27,570,306	-	16,215,218
Tax receivables from the Greek State	28,158,576	3,041,723	28,158,576	3,041,723
Various Debtors	37,737,718	43,955,885	27,869,950	34,158,913
Advances and Credit management accounts	351,094	327,234	27,644	24,183
Blocked deposits	-	3,978,501	-	3,978,501
Prepaid expenses	2,659,225	2,115,813	131,256	153,767
Other prepayments and accrued income	213,760,264	106,490,682	229,578,379	131,372,160
Other Receivables	**294,760,415**	**213,503,811**	**292,776,502**	**214,928,568**
Total	**633,471,673**	**340,555,629**	**591,822,474**	**317,522,002**
Less: Provisions	(85,387,264)	(48,985,426)	(82,865,746)	(47,476,186)
Balance	**548,084,409**	**291,570,203**	**508,956,728**	**270,045,816**

During 2011, the Arbitration Court issued a decision concerning a retrospective return of 5% of the invoiced amount regarding natural gas for the period 1/7/2010 to 30/11/2010 from DEPA to the Power Company (PPC). Since the company considers this decision is against public order according to the Greek Civil Code, the Board of Directors as at 29/2/2012 decided to appeal in order to cancel the decision. According to the original decision, the parent company should issue credit invoices amounting to EUR 6.7 million for the aforementioned period. Based on this decision, the company has made adequate provisions relating to this issue. At the same time, DEPA is in negotiations with PPC for the "take or pay" of gas quantity for 2010, amounting to EUR 34.6 million, based on their contract.

The amount of "Blocked deposits" relates to part of the total consideration received for the sale of PFI (participation: 33.15%). This amount was released on 15/9/2011.

The carrying values of trade and other receivables are not significantly different from their fair value at the date of the statement of financial position and thus do not require discounting.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	2011	2010	2011	2010
Trade Debtors (related parties excluded)	288,067,572	81,344,245	244,642,449	35,869,278
Notes Receivable	23,545,000	27,300,000	23,545,000	27,300,000
Notes Receivable overdue	55,000	-	55,000	-
Cheques Receivable	3,004,657	15,189,471	2,511,258	14,889,273
Cheques Receivable overdue	6,248,508	76,907	6,229,952	58,352
Total Trade Receivables	**320,920,737**	**123,910,623**	**276,983,659**	**78,116,903**
Analysis of Trade Receivables				
Performing	112,026,941	57,581,914	78,784,854	19,465,580
Past due- not impaired	123,506,532	17,343,283	115,333,059	11,175,137
Impaired	85,387,264	48,985,426	82,865,746	47,476,186
Total	**320,920,737**	**123,910,623**	**276,983,659**	**78,116,903**

During the reporting period, the Group has made additional impairment for trade receivables amounting to EUR 36,471,477, out of which EUR 35,389,560 refers to the company. The movement of the impairment for receivables is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance at 1.1.2011	**48,985,426**	**48,525,441**	**47,476,186**	**47,476,186**
Charge for the year	36,471,477	5,989,417	35,389,560	5,020,044
Utilization of provision	(69,639)	(480,730)	-	-
Release of provision	-	(5,048,702)	-	(5,020,044)
Balance at 31.12.2011	**85,387,264**	**48,985,426**	**82,865,746**	**47,476,186**

Impairment for receivables is performed:

a) By the Parent Company for the total amount of trade receivables that have a delay of 6 months compared to the contractual payment date.
b) By the subsidiary DESFA S.A. when there is objective evidence that it will not collect all the amounts due to the company according to the terms of each contract.
c) By the natural gas distribution subsidiaries for overdue receivables and to the extent the receivable is considered doubtful for receipt as part or as a whole.

(All amounts are expressed in EUR unless otherwise stated)

21. Cash & Cash Equivalents

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash on hand	40,068	27,074	4,112	5,399
Sight Deposits	13,699,610	29,505,577	832,928	19,856,263
Term Deposits	249,579,774	364,587,778	153,329,131	241,938,857
Total	**263,319,452**	**394,120,429**	**154,166,171**	**261,800,519**

On 31.12.2011 the Group's term deposits amounted to EUR 249,580 thousands (2010: EUR 364,588 thousands), part of which is derived from DEPA S.A. (EUR 153,329 thousands) and DESFA S.A. (EUR 56,039 thousands). All of the Group's deposits are in EURO, except for one company's sight deposit that amounts to USD 718.05 (EUR 554.95).

22. Share Capital

Based on the decision of the Ordinary General Shareholder Meeting of DEPA S.A. on 30/6/2006, an increase of its share capital by EUR 1,158,606.40 was approved, by issuing 13,160 new ordinary shares of nominal value of EUR 88.04 each and by capitalizing part of the reserve which had derived from the revaluation of the Company's properties, according to the provisions of Law 2065/1992.

Taking into consideration the above, as of 31 December 2011, the total share capital paid amounts to EUR 991,238,046 (2010: EUR 991,238,046) divided into 11,258,951 (2010: 11,258,951) ordinary shares of nominal value EUR 88.04 each.

According to the Shareholders Register of the Company, as at 31/12/2011, its shareholders were the following:

SHAREHOLDER	NO OF SHARES	PARTICIPATION PERCENTAGE AS AT 31/12/2011
GREEK STATE	7,318,318	65.00%
HELLENIC PETROLEUM S.A.	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	Properties and other fixed assets acquired free of charge	Reserve due to share capital translation in EUR	Special Reserves	Tax Free Reserves	Total
Balance as at 1 January 2010	19,648,450	448,858	12,211	81,590,838	2,228,287	103,928,643
Transfer to reserves	6,288,014	-	-	148,664	319,314	6,755,993
Balance at 31 December 2010	**25,936,464**	**448,858**	**12,211**	**81,739,502**	**2,547,601**	**110,684,636**
Balance as at 1 January 2011	25,936,464	448,858	12,211	81,739,502	2,547,601	110,684,636
Transfer to reserves	9,772,206	-	17	-	233,642	10,005,865
Balance at 31 December 2011	**35,708,670**	**448,858**	**12,228**	**81,739,502**	**2,781,243**	**120,690,501**

COMPANY

	Statutory Reserve	Properties & other fixed assets acquired free of charge	Reserve due to share capital translation in EUR	Special Reserves	Tax Free Reserves	Total
Balance as at 1 January 2010	13,835,252	-	12,211	81,590,629	2,272,407	97,710,499
Transfer to reserves	3,677,332	-	-	148,664	319,314	4,145,310
Balance at 31 December 2010	**17,512,584**	**-**	**12,211**	**81,739,293**	**2,591,721**	**101,855,809**
Balance as at 1 January 2011	17,512,584	-	12,211	81,739,293	2,591,721	101,855,809
Transfer to reserves	4,500,000	-	17	-	233,642	4,733,659
Balance at 31 December 2011	**22,012,584**	**-**	**12,228**	**81,739,293**	**2,825,363**	**106,589,468**

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 as long as the company operates, but 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 tax free reserves, they will be taxed based on current tax rate on that date.

24. Dividends

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 establishment of the statutory reserve. According to article 30 of Law 2579/98, from 2007 and thereafter, companies and organizations whose exclusive shareholder or owner has a majority 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 total dividend that determined by the company's articles of association or by law provisions.

On 25 April 2012, the Company's Board of Directors, proposed a dividend from the profits of 2011 amounting to EURO 31,637,652.31 (EURO 2.81 per share). The proposal is subject to the approval of the annual Ordinary Shareholders' meeting.

25. Loans and Borrowings

Borrowings of the Group have been granted by Greek and foreign banks and are denominated in EUR and US Dollars. Amounts payable within a year from the Statement of financial position date are classified as current, while amounts payable after one year are classified as long-term. The Group records provisions for accrued borrowing interests and recognizes them in each period's profit or loss. The borrowings of the Group are analyzed, by debtor, as follows:

Amounts in EURO	GROUP					
	31/12/2011		31/12/2010			
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)	-	-	1,070,947	-		
EUROPEAN INVESTMENT BANK (2)	4,000,000	16,000,000	4,000,000	20,000,000	25/10/2016	4.57%
EUROPEAN INVESTMENT BANK (3)	4,000,000	16,000,000	4,000,000	20,000,000	25/10/2016	4.52%
EUROPEAN INVESTMENT BANK (4)	5,000,000	22,500,000	5,000,000	27,500,000	25/04/2017	4.52%
EUROPEAN INVESTMENT BANK (5)	7,000,000	42,000,000	7,000,000	49,000,000	15/05/2018	5.55%
EUROPEAN INVESTMENT BANK (6)	545,455	10,363,636	545,455	10,909,091	17/07/2031	4.48%
EUROPEAN INVESTMENT BANK (7)	1,083,333	9,750,000	1,083,333	10,833,333	17/07/2021	4.33%
EUROPEAN INVESTMENT BANK (8)	833,333	8,333,333	833,333	9,166,667	10/07/2022	4.89%
EUROPEAN INVESTMENT BANK (9)	454,545	9,090,909	454,545	9,545,455	10/07/2032	4.98%
EUROPEAN INVESTMENT BANK (10)	1,304,348	26,739,130	1,304,348	28,043,478	31/01/2033	4.62%
EUROPEAN INVESTMENT BANK (11)	1,400,000	31,500,000	1,400,000	32,900,000	31/05/2035	3.88%
NATIONAL BANK	7,076,250	53,073,647	7,076,250	60,149,895	19/03/2020	4.98%
ALPHA BANK	-	19,347,944	-	25,443,064	2013	3month Euribor + 2,5%
GENIKI BANK	-	-	905,065	-		
Total Loan Liabilities	**32,697,264**	**264,698,599**	**34,673,276**	**303,490,983**		

The Group's borrowings includes a facility in $ (USD), borrowed by the subsidiary of the Group DESFA SA., which was repaid during 2011.

For the aforementioned borrowings note the following:

Borrowings from (a) to (l) relate to DESFA SA.

a) The loan of the European Investment Bank (1) is denominated in foreign currency (USD) and was issued on 22/4/1991 with maturity date on 20/2/2011 which was repaid. The short-term portion of the loan was EUR 1,070,947.
b) The loan of the European Investment Bank (2) 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.
c) The loan of the European Investment Bank (3) 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.

d) The loan of the European Investment Bank (4) 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.

e) The loan of the European Investment Bank (5) 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.

f) The loan of the European Investment Bank (6) 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 545,454.

g) The loan of the European Investment Bank (7) 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.

h) The loan of the European Investment Bank (8) is an extension of the above mentioned loan 7, 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.

i) The loan of the European Investment Bank (9) is an extension of the above mentioned loan 6, 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.

j) The loan of the European Investment Bank (10) 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.

k) The loan of the National Bank of Greece 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.

l) The loan of the European Investment Bank (11) 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.

m) On 27.02.2008 EPA Attiki signed a Revolving Bond Loan with Alpha Bank (bondholder) amounting to EUR 50,000,000 and maturity date until early 2013. The Bond Loan was issued solely in order to finance the capital expenditure regarding the expansion of the network. The expenses of EUR 251,000 related with the issuance of the loan were deducted by the initial amount. Those expenses are amortized in the company's profit or loss using the effective interest method and are part of financial expenses.

According to the Bond Loan Agreement, EPA Attiki S.A. has the obligation to comply with certain financial performance covenants such as liquidity ratio, total liabilities to equity ratio and interest coverage ratio. At the Balance sheet date, the company is compliant according to the above. In addition, during the year, the Company repaid Bond Loans amounted to 12,000,000.

(All amounts are expressed in EUR unless otherwise stated)

The carrying amount and fair value of the bond loan that appears in the consolidated statement of financial position has been calculated as follows:

	Carrying Value		Fair Value	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Bond Loan	19,347,944	25,443,064	18,639,638	24,989,259
	19,347,944	**25,443,064**	**18,639,638**	**24,989,259**

The Bond Loan has an average interest rate of 3.8% (2010: 1.8%). The interest rate was based on three months Euribor plus a 250 basis points spread during the year.

The parent company of the Group DEPA SA as well as the subsidiaries EPA Thessalia SA and EPA Thessaloniki SA, do not have any borrowings as at 31/12/2011.

(All amounts are expressed in EUR unless otherwise stated)

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, is accounted for and presented on the basis of the employees' expected earned benefit payable, at the reporting date, discounted at its present value, relative to its foreseen time of payment. Accrued benefits for each period are charged in the profit or loss with a corresponding increase of the retirement liability. Benefits that are paid to employees that retired are accounted against this liability.

According to the Parents' company management decision for 2011, the discount rate remained at 4.70% (2010: 4.7%) and equals the rate of corporate bonds in the Eurozone area. As in the year ended 31 December 2010, the discount rate used in the actuarial study of the current reporting period equals to the respective rate of corporate bonds in the Eurozone of similar duration.

The payable indemnity of the Company in the event of retirement was based on an Actuarial Study that was prepared by independent certified actuaries.

Number of employees and payroll expenses:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Number of employees	**897**	**934**	**63**	**85**
Payroll expense analysis:				
Staff costs	29,188,360	33,824,140	5,370,485	5,767,854
Retirement benefit expense	1,008,203	1,697,851	35,104	30,461
Social security	4,972,760	5,332,842	530,976	585,746
Salary and Expenses from absorbed entity	592,432	694,877	592,432	475,296
Minus: Capitalized payroll expense	(1,255,399)	(1,160,175)	-	-
Provision for staff retirement indemnities	(208,871)	2,713,058	(527,271)	278,957
Total cost	**34,297,485**	**43,102,593**	**6,001,726**	**7,138,314**

Movement in the net liability is as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Net liability at the beginning of the year	22,572,404	21,846,873	6,220,895	5,738,970
Benefits paid	(2 143 560)	(2 421 104)	(1 123 540)	(780 960)
Staff indemnity from the absorbed EDA (Net of charge in the income statement: 12,130.60)	-	-	-	19,066
Total expense recognized in profit or loss	1,887,769	3,146,635	596,271	1,243,819
Net liability at the end of the year	**22,316,613**	**22,572,404**	**5,693,624**	**6,220,895**

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Present value of the obligation	16,780,229	20,878,473	5,153,507	6,850,781
Unrecognized actuarial gains (losses)	5,536,384	1,693,931	540,117	(629,886)
Liability in the Statement of Financial Position	**22,316,613**	**22,572,404**	**5,693,624**	**6,220,895**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Analysis of expenditures that were recognized in the profit or loss				
Service Cost	1,050,298	1,158,690	252,531	292,568
Interest Cost	902,038	1,104,259	292,382	266,994
Actuarial gains/(losses)	(125,055)	(29,150)	-	2,021
Unrecognized past service cost	9,156	809,236	2,547	743,847
Cost of additional benefits	51,332	103,600	48,810	(61,611)
Total expenditure that was recognized in the profit or loss	**1,887,769**	**3,146,635**	**596,270**	**1,243,819**

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Changes in liability during the year:				
Net liability at the beginning of the year	22,572,404	21,846,874	6,220,895	5,738,971
Service Cost	1,050,298	1,158,690	252,531	292,568
Interest Cost	902,038	1,104,259	292,382	266,994
Actuarial gains/(losses)	(125,055)	(29,150)	-	2,021
Unrecognized past service cost	9,156	809,236	2,547	743,847
Benefits paid	(2,143,560)	(2,421,104)	(1,123,540)	(780,960)
Staff indemnity from the merged enity EDA	-	-	-	19,066
Cost of additional benefits	51,332	103,600	48,810	(61,611)
Net liability at the end of the year	**22,316,613**	**22,572,404**	**5,693,624**	**6,220,895**

The principal actuarial assumptions used as at 31 December 2011 from the parent company are as follows:

Principal actuarial assumptions:	
Actuarial method of valuation	Projected Credited Unit Method
Annual average long-term inflation rate	2.00%
Annual average future salary increases	2.00%
Discount rate	4.70%
Plan assets for compensation of L. 2112/20	Zero
Expected remaining working life	15.7

The principal actuarial assumptions used as at 31 December 2010 from the parent company are as follows,

Principal actuarial assumptions:	
Actuarial method of valuation	Projected Credited Unit Method
Annual average long-term inflation rate	2.00%
Annual average future salary increases	2.00%
Discount rate	4.70%
Plan assets for compensation of L. 2112/20	Zero
Expected remaining working life	10.88

(All amounts are expressed in EUR unless otherwise stated)

27. Government grants

Government grants received relate to investments in property, plant and equipment and are recognized as income over the same period as the property plant and equipment depreciation that were subsided. In accordance with the legislation under which the grants were obtained, several restrictions exist regarding the transfer of the subsided machinery and over 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. Subsequent to 1 January 1997, all grants are received only through the Greek State and based on a decision of the Ministry of National Economy, are considered as direct capital contributions. Grants received from the European Union and the Greek State up to 31 December 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 31 December 1996 were converted to share capital. According to the Ministerial Decision 39075/161 of 9 June 2003, any grants received from the Greek State in the future will not be converted to share capital but will be recorded as "Grants" in the Consolidated Statement of Financial Position.

The movement in grants is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Balance at beginning of the year	327,484,969	321,482,964	38,424,443	19,754,348
Grants received during the year	2,128,904	15,372,254	1,279,821	3,031,267
Reduction	(775,415)	(14,521)	(777,722)	(12,213)
Amortization of grants	(19,326,453)	(9,355,729)	(1,440,245)	(1,282,716)
Grants from merged entity (EDA)	-	-	-	16,933,757
Balance at year end	**309,512,005**	**327,484,969**	**37,486,297**	**38,424,443**

28. Provisions and other liabilities

Provisions for contingent financial risks and expenses amounted to EUR 22.5 million (2010: EUR 19.5 million) and relate to provisions for legal disputes and claims against the parent company D.EP.A SA for an amount of EUR 2.4 million, provisions for legal disputes and claims against the subsidiary DESFA SA for an amount of EUR 18 million, parent company's provisions for due interest for an amount of EUR 0.4 million and provisions for some employee benefits of subsidiary EPA Attiki S.A. of EUR 1.7 million.

As of the reporting date there were outstanding legal disputes and claims for indemnities due to the remittance of property amounting to EUR 31,120 thousands, which according to DESFA's legal department, the company will not pay any amount higher than EUR 13,502 thousands, which will increase the cost of property when these disputes are settled. Additionally, there are legal cases by third parties (other than from the remittance of property) against the company amounting to EUR 35,468 thousands and DESFA recorded a provision for these cases amounting to EUR 18,000 thousands.

(All amounts are expressed in EUR unless otherwise stated)

29. Other long-term liabilities

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Customer guarantees	12,416,977	9,090,916	123,721	179,621
Connection fees	5,045,728	5,245,550	-	-
Deferred income from rights of use of network	299,270,006	294,309,680	610,699,346	601,367,281
Total	**316,732,711**	**308,646,146**	**610,823,067**	**601,546,902**

The medium and low pressure natural gas distribution networks parties of Attiki, Thessalia and Thessaloniki region is owned by DEPA S.A., who gives the right of use of the network to the subsidiaries EPAs. In exchange for the right of use, DEPA S.A. records deferred income which is amortized on a straight line basis in the profit or 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 others creditors are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Suppliers	145,440,108	53,790,667	110,076,884	20,201,235
Cheques payables	657,721	272,352	-	-
Customer prepayments	2,128,656	471,310	2,128,656	-
Tax payables	47,721,362	16,267,096	45,561,832	16,068,705
Social security	917,976	953,589	92,211	95,127
Liabilities to subsidiaries and related parties	-	-	62,510,131	34,553,800
Other creditors	842,101	895,893	524,083	553,894
Other payables	3,502,459	973,494	-	-
Other accrued liabilities	139,531,153	227,628,308	139,523,607	227,627,615
Deferred income	895,877	406,499	33,651,495	32,265,735
Accrued expenses	36,492,456	29,059,996	20,447,765	6,608,190
Total	**378,129,869**	**330,719,204**	**414,516,663**	**337,974,301**

During 2011 the Arbitration Court reached a decision concerning the dispute of PPC against DEPA, concerning article 25 of the natural gas sale agreement for the year 2008 and only, that decided the payment of a lump sum to PPC under certain circumstances according to the Arbitration Court, the amount for the year 2008 was 17,2 million.
The Company issued an appeal against the arbitration decision as it considers that it is against public order according to the Greek Civil Code and should be considered void. In case the decision is not in favour of the company the maximum amount that the Company may pay amounts to EUR 103 million for 2009-2011.

During the current period, negotiations with supplier BOTAS concerning the retrospective charge of natural gas price for 2008 to 2011, according to the natural gas purchase agreement of 2003, were completed. The amount the Company agreed to pay was USD 311.2 million, out of which USD 231.8 million was paid during 2011 and the remaining amount of USD 79.4 million was paid in the beginning of 2012. For this amount the Company has made a relevant provision. Other changes in parameters that affect the final price of gas, that do not relate with natural gas price from the producers such as the “K” factor are not accepted by the Company and are still in arbitration. The Company has made adequate provision for a possible liability to Botas that may arise from the retrospective review of natural gas price and the “K” factor for 2011.

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 which it may have on the financial position and performance of the Group.

As mentioned, the main financial instruments of the Group are cash, deposits, trade and other receivables, payables and bank loans. Management of the Group examines 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 31/12/2011 93% of the total amount 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 of loan obligations. 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. At 31 December 2011, if interest rates on Euro denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax Profit for the year would have been higher/lower by EUR 193,479.
- ***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 31/12/2011, if the EUR 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 27,562 thousands and the after tax results of the Group would increase by EUR 22,050 thousands, mostly due to the valuation of obligations to suppliers that are mainly expressed in U.S. dollars. Moreover if the EUR had depreciated against the U.S. dollar by 10%, all other variables remaining constant, the before-tax results of the present year would be lower by EUR 27,562 thousands and respectively the after tax results of the Group for the year would decrease by EUR 22,050 thousands, mostly due to the valuation of 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 its selling prices are set in relation to competitive fuel. The Group structures the 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 their invoices are issued, 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 lapses, interest accrued on the customers' balance.

The Group is subject to sales concentration, since almost 23.00% of its total sales are to the Public Power Corporation, 10.09% to HRON II SA and 18.04% to Elpedison SA.

The Company's management continually monitors the financial position of its customers as well as the extent and limits of the offered credits. At the end of the year, Management evaluated that there is no significant credit risk which is not covered by any guarantee or adequate provisions for doubtful customers. 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 those claims as shown in the Statement of Financial Position reduced by the value of guarantees and collateral (Note 34).

III. Liquidity Risk

Liquidity risk is maintained at low levels, through the availability of sufficient cash and cash equivalents as well as credit limits. The existing available and unused, approved banking credits towards the Group, are sufficient so as to deal with any possible lack of cash and cash equivalents.

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

(All amounts are expressed in EUR unless otherwise stated)

GROUP

31/12/2011	Up to 1 year	Between 1 and to 2 years	Between 2 and 5 years	Over 5 years
Loans	32,697,264	52,052,292	98,113,043	114,533,264
Trade and other payables	378,129,869	-	-	-

COMPANY

31/12/2010	Up to 1 year	Between 1 and to 2 years	Between 2 and 5 years	Over 5 years
Loans	34,673,276	32,704,348	123,556,107	147,230,528
Trade and other payables	330,719,204	-	-	-

IV. Capital Risk Management

The purpose of the Group, in managing capital, is to ensure the going concern, to provide 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 minus cash and cash equivalents. Total capital employed is calculated as the total equity presented in the statement of financial position plus net debt. More specifically:

	GROUP	
	31/12/2011	31/12/2010
Total Liabilities	1,382,958,916	1,402,077,073
Less: Cash & cash equivalents (Note 21)	(263,319,452)	(394,120,429)
Net Liabilities	**1,119,639,464**	**1,007,956,644**
Total Equity	**1,503,390,073**	**1,331,832,992**
Net Liabilities/Total Equity	74%	76%

(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 of the mutual controlled entities refer to the 49% interest. The Company's and the Group's related party transactions and balances during the fiscal year 1/1-31/12/2011 and on 31st December 2011, respectively, are as follows:

Sales, purchases, due from and to related parties that are eliminated at Group level.

	GROUP				COMPANY			
	1/1-31/12/2010		1/1-31/12/2010		1/1-31/12/2010		1/1-31/12/2010	
	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
A. Related parties								
DESFA S.A.	-	-	-	-	59,080,989	165,062,540	18, 296,837	33,471,746
EPA ATTIKI S.A.	56,894,187	1,167,762	11,226,011	954,231	111,814,838	2,383,189	22,910,226	1,947,411
EPA THESSALONIKI S.A.	38,858,702	1,772,632	8,810,822	1,659,244	76,689,110	3,617,616	17,981,269	3,386,212
EPA THESSALIA S.A.	20,804,512	537,628	3,577,842	387,493	41,498,031	1,097,199	7,301,718	790,803
Total	**116,557,401**	**3,478,022**	**23,614,675**	**3,000,968**	**289,082,968**	**172,160, 544**	**66,490,050**	**39,596,172**

	GROUP				COMPANY			
	1/1-31/12/2011		1/1-31/12/2011		1/1-31/12/2011		1/1-31/12/2011	
	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
A. Related parties								
DESFA S.A.	-	-	-	-	73.535.806	224.831.690	11.770.186	62.092.926
EPA ATTIKI S.A.	76,832,326	1,127,223	11,541,228	31,264	156,800,665	2,300,454	23,553,526	63,805
EPA THESSALONIKI S.A.	48,954,215	125,112	8,626,241	3,189	99,906,561	255,331	17,604,573	6,507
EPA THESSALIA S.A.	26,568,160	184,059	4,399,991	37,991	54,220,734	375,630	8,979,573	77,532
Total	**152,354,701**	**1,436,394**	**24,567,460**	**72,444**	**384,463,766**	**227,763,105**	**61,907,858**	**62,240,770**

(All amounts are expressed in EUR unless otherwise stated)

Sales, purchases, due from and to related parties that are not eliminated at Group level.

	GROUP				COMPANY			
	1/1-31/12/2010		1/1-31/12/2010		1/1-31/12/2010		1/1-31/12/2010	
	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**
A. Related parties								
POSEIDON	459,890	-	286,375	-	459,890	-	286,375	-
HELLENIC PETROLEUM S.A.	6,602,713	2,500	1,350,384	98,769	6,602,713	2,500	1,350,384	98,769
ITALGAS	-	1,045	-	57,116	-	-	-	-
ATTIKI DENMARK	-	-	-	1,532	-	-	-	-
ENI INSURANCE LIMITED	-	92,924	-	-	-	-	-	-
ENIS SpA	10,825	113,520	-	25,267	-	-	-	-
SHELL INTERNATIONAL PETROLEUM	-	-	1,012	-	-	-	-	-
SHELL ENERGY EUROPE BV	-	-	6,419	-	-	-	-	-
CINERGY HELLAS	-	-	98	-	-	-	-	-
Total	**7,073,428**	**209,989**	**1,644,288**	**182,684**	**7,062,603**	**2,500**	**1,636,759**	**98,769**

	GROUP				COMPANY			
	1/1-31/12/2011		1/1-31/12/2011		1/1-31/12/2011		1/1-31/12/2011	
	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**
A. Related parties								
POSEIDON	646,023	-	531,390	-	646,023	-	531,390	-
HELLENIC PETROLEUM S.A.	26,254,932	-	20,958,588	26,760	26,254,932	-	20,958,588	26,760
ITALGAS	-	-	-	-	-	-	-	-
ATTIKI DENMARK	-	-	-	-	-	-	-	-
ENI INSURANCE LIMITED	-	-	-	-	-	-	-	-
ENIS SpA	22,084	103,780	-	31,243	-	-	-	-
SHELL INTERNATIONAL PETROLEUM	-	-	-	-	-	-	-	-
SHELL ENERGY EUROPE BV	-	-	-	-	-	-	-	-
CINERGY HELLAS	-	-	-	-	-	-	-	-
Total	**26,923,039**	**103,780**	**21,489,978**	**58,003**	**26,900,955**	**-**	**21,489,978**	**26,760**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2010		1/1-31/12/2010	
RELATED PARTIES	**Sales to related parties**	**Purchases from related parties**	**Sales to related parties**	**Purchases from related parties**
A. RELATED PARTIES				
DESFA				
Own consumption/Imbalance services	-	-	59,043,544	28,911,204
Cost of gas	-	-	-	158,010
Administrative and consulting services/Network inspection services & other services	-	-	-	6,644,962
Transportation fees	-	-	37,445	129,348,364
Total	**-**	**-**	**59,080,989**	**165,062,540**
EPA ATTIKI S.A.				
Cost of gas	-	218	-	445
Transportation fees	-	285,544	-	582,744
Other services	-	882,000	-	1,800,000
Gas sales	48,440,243	-	98,857,638	-
Network rights	8,453,944	-	12,957,200	-
Total	**56,894,187**	**1,167,762**	**111,814,838**	**2,383,189**
EPA THESSALONIKI S.A				
Transportation fees	-	118,572	-	241,984
Other services	-	1,654,060	-	3,375,632
Gas sales	33,594,420	-	68,560,042	-
Network rights	5,264,281	-	8,129,068	-
Total	**38,858,702**	**1,772,632**	**76,689,110**	**3,617,616**
EPA THESSALIA S.A.				
Transportation fees	-	82,752	-	168,882
Depreciation for SOVEL	-	94,308	-	192,466
Other services	-	360,568	-	735,851
Gas sales	18,845,505	-	38,460,214	-
Network rights	1,959,007	-	3,037,817	-
Total	**20,804,512**	**537,628**	**41,498,031**	**1,097,199**
Total	**116,557,401**	**3,478,022**	**289,082,968**	**172,160,544**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2011		1/1-31/12/2011	
RELATED PARTIES	**Sales to related parties**	**Purchases from related parties**	**Sales to related parties**	**Purchases from related parties**
A. RELATED PARTIES				
DESFA				
Own consumption/Imbalance services	-	-	73,475,738	60,450,570
Cost of gas	-	-	-	164,282
Administrative and consulting services/Network inspection services & other services	-	-	41,662	4,118,431
Transportation fees	-	-	18,406	160,098,407
Total	**-**	**-**	**73,535,806**	**224,831,690**
EPA ATTIKI S.A.				
Cost of gas	-	-	-	-
Transportation fees	-	235,230	-	480,062
Other services	-	891,993	-	1,820,392
Gas sales	68,009,576	-	138,795,052	-
Network rights	8,811,510	-	17,982,674	-
Other revenue	11,240	-	22,939	-
Total	**76,832,326**	**1,127,223**	**156,800,665**	**2,300,454**
EPA THESSALONIKI S.A				
Transportation fees	-	113,286	-	231,197
Other services	-	11,826	-	24,134
Gas sales	43,383,134	-	88,537,008	-
Network rights	5,571,081	-	11,369,553	-
Total	**48,954,215**	**125,112**	**99,906,561**	**255,331**
EPA THESSALIA S.A.				
Transportation fees	-	78,828	-	160,872
Depreciation for SOVEL	-	94,308	-	192,466
Other services	-	10,923	-	22,292
Gas sales	24,461,519	-	49,921,466	-
Network rights	2,106,641	-	4,299,268	-
Total	**26,568,160**	**184,059**	**54,220,734**	**375,630**
Total	**152,354,701**	**1,436,394**	**384,463,766**	**227,763,105**

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2010		1/1-31/12/2010	
RELATED PARTIES	**Sales to related parties**	**Purchases from related parties**	**Sales to related parties**	**Purchases from related parties**
POSEIDON				
Other services	459,890	-	459,890	-
Total	**459,890**	**-**	**459,890**	**-**
HELLENIC PETROLEUM SA				
Salaries Cost	-	2,500	-	2,500
Gas sales	6,602,713	-	6,602,713	-
Total	**6,602,713**	**2,500**	**6,602,713**	**2,500**
Third party expenses	10,825	207,489	-	-
Grant Total	**7,073,428**	**209,989**	**7,062,603**	**2,500**

	GROUP		COMPANY	
	1/1-31/12/2011		1/1-31/12/2011	
RELATED PARTIES	**Sales to related parties**	**Purchases from related parties**	**Sales to related parties**	**Purchases from related parties**
POSEIDON				
Other services	646,023	**-**	646,023	**-**
Total	**646,023**	**-**	**646,023**	**-**
HELLENIC PETROLEUM SA				
Gas sales	26,254,932	-	26,254,932	-
Total	**26,254,932**	**-**	**26,254,932**	**-**
Third party expenses	**22,084**	**103,780**	**-**	**-**
Grant Total	**26,923,039**	**103,780**	**26,900,955**	**-**

Fees and other benefits to members of the Board of Directors of the Group and the Company amounted to:

	31/12/2011	31/12/2010
Fees of the Company's BoD members	86,721	85,428
Fees of the consolidated Subsidiaries' BoD members	251,931	270,865
Fees of the Group's BoD members	**338,652**	**356,293**

(All amounts are expressed in EUR unless otherwise stated)

33. Commitments and Contingent Liabilities

33.1 Contingent Liabilities from cases under dispute or under arbitration

There are various litigations and claims against DESFA S.A. by third parties arising from the expropriation of land amounting to a total of EUR 31,120 thousand. According to the company's legal department, DESFA will not be obliged to pay, on the date the claim is finalized, an amount greater than EUR 13,502 thousand. According to the company's accounting policy, fixed indemnities due to expropriation are included in the cost of tangible fixed assets. Additionally, there are lawsuits by third parties (except for expropriation) against DESFA amounting to EUR 35,468 thousands and DESFA recorded a provision against them of EUR 18,000 thousand (Note 28).

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Contingent liabilities				
Open network construction contracts	170,534,504	120,149,712	20,078,910	23,060,001
Supplier and third party guarantees	66,945,364	25,012,070	66,605,489	24,890,000
Total contingent liabilities	**237,479,868**	**145,161,782**	**86,684,399**	**47,950,001**
Contingent assets				
Client guarantees	118,780,642	110,489,456	72,653,029	58,235,476
Supplier guarantees	52,927,342	51,178,279	1,628,004	1,172,195
Network constructor guarantees	16,645,581	21,096,743	13,068,358	17,713,294
Total contingent assets	**188,353,565**	**182,764,478**	**87,349,391**	**77,120,965**

PFI (Phosphoric Fertilizer Industry)

Under the share purchase agreement for the sale of the Company's share in PFI S.A., the selling price of Company's investment in PFI is subject to adjustment (increase / decrease). The price adjustments are related to contingent liabilities that may arise, including tax obligations, bad debts, environmental issues and potential claims such as grants. The aforementioned selling price adjustments are valid for a period of 2 to 3 years after the completion of the transaction.

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.

b) **Purchase Agreements:**

i) On 26 July 1987, DEPA S.A. signed a long-term agreement with the Russian company «SOJUZGAZEXPORT» for the purchase and import of natural gas until 2016, with the ability to silently renew it for five more years if none of the parties notifies the other party for its opposition of at least 18 months before the expiry date (2016). 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 1st of every quarter based on specific parameters. On 6 March 2001 an amendment of the formula was signed, with retrospective effect from 1 January 2000. Any liabilities or disagreements can be resolved either by a friendly settlement or through Arbitration in Stockholm. These contracts were transferred to DEPA S.A.

ii) On February 1988, DEP S.A. signed another long-term agreement with the Algerian State owned company "SONATRACH" for the purchase and import of liquefied natural gas. The agreement officially commenced 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. These contracts were transferred to DEPA S.A.

iii) As of 23 December 2003, DEPA S.A. signed a long-term agreement with the Turkish company "BOTAS" for the purchase and import of natural gas. The agreement officially came into force 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.

c) **Purchase and Sale Agreement**:

i) On 24 August 2006, DEPA S.A. signed a master agreement with "Gas de France International Trading" for the purchase and sale of liquefied natural gas. The duration of the agreement is indefinite.

ii) On 31 July 2008 and 14 November 2008 DEPA S.A signed a master agreement with "Eni S.p.A. (Italy)" and "BG LNG TRADING, LLC (USA)", respectively, for the purchase and sale of liquefied natural gas. The duration of these agreements are indefinite.

iii) On 14 December 2009 DEPA S.A signed a master agreement with "SHELL Western LNG BV" for the purchase and sale of liquefied natural gas. The duration of these agreements are indefinite.

iv) On 9 December 2010 DEPA S.A. signed a master agreement with "Ras Laffan Liquified Natural Gas Company Limited II" ("Ras Gas") for the purchase and sale of liquefied natural gas. The duration of the agreement is indefinite.

v) On 2 February 2011 DEPA S.A. signed a master agreement with " EDF Trading Ltd." for the purchase and sale of liquefied natural gas. The duration of the agreement is indefinite.

vi) On 25 February 2011 DEPA S.A signed a master agreement with "TOTAL Gas and Power Ltd." for the purchase and sale of liquefied natural gas. The duration of the agreement is indefinite.

vii) On 19 September 2011 DEPA S.A. signed a master agreement with «CONOCOPHILLIPS(UK) Ltd.» for the purchase and sale of liquefied natural gas. The duration of the agreement is indefinite.

(All amounts are expressed in EUR unless otherwise stated)

d) **Leasing and rental commitments**

On 31/12/2011 the Group had contracts for operating leases of buildings and motor vehicles.

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Up to 1 year	3,326,952	3,892,755	414,907	909,260
1 to 5 years	5,297,566	6,064,456	246,056	539,018
Over 5 years	3,925,034	4,862,180	7,298	7,540
Total	**12,549,552**	**14,819,391**	**668,261**	**1,455,818**

33.3 Other contingent liabilities

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

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

The tax audit for 2011 is in progress from the statutory auditors for all the Companies of the Group, according to Law 3943/2011.

DESFA S.A. has not been audited by tax authorities for fiscal years 2009 and 2011. As a result of a tax audit for fiscal years 2007 and 2008 completed in 2010, additional income tax amounting to EUR 1,101,000 was recorded in the prior period results.

Additionally, in May 2011 a tax audit was completed for fiscal years 2001 to 2006 for EPA Thessalia and EPA Thessaloniki, from the tax authorities regarding expenses related to the expatriated personnel, that demanded cross checking data with the Italian Fiscal Authorities, so that the issue will be resolved. As a result of this audit, the additional tax expense for EPA Thessalia, amounted to EUR 3,093,892 and EPA Thessaloniki to EUR 4,398,761, including the income tax and the relevant penalties. In July, EPA Thessalia and EPA Thessaloniki asked for settlement with the relevant authorities according to Law 2238/1994 and according to legal and tax opinions that were received, they have estimated the maximum total amount to pay EUR 1,416,350 and EUR 2,055,876 respectively, making relevant provision in the financial statements of 31 December 2011.

33.4 Prenotation

The parent company has prenotation over certain assets of its customers, of a total value of EUR 75 million to ensure its claims against these customers.

34. Other significant disclosures

A) According to Law 2364 / 1995 article 4 par 3 and 4:
"The gas distribution companies (EDA) or DEPA S.A. have been assigned the exclusive right, which can be transferred as defined in the following paragraph:

(α) Programming, research, design, construction, ownership and exploitation of natural gas distribution network in the geographical region of their activity.

(b) Sale of natural gas to consumers with maximum annual gas consumption of 100GWh of Higher Calorific Value. This annual consumption is deduced from the consumption of the last 12-month operation or, for new entities, from the operation of the facilities. The aforementioned criteria is applicable to every consumer when signing the first contract of selling natural gas and cannot be altered by later changes in consumption, if any.

For the applicability of the aforementioned criteria, the consumer is considered as the one who maintains the ownership or the legal usage of the natural gas facilities in united land.

The rights of: a) programming, b) research, c) design, d) construction, e) exploitation of Natural Gas Distribution Network and f) sale of natural gas, as mentioned above in geographical boundaries that DEPA considers necessary, can be contributed only to a Societe Anonyme for Gas Distribution (EPA SA) that has as exclusive purpose the programming, exercise and exploitation of the aforementioned rights."

Until today three EPAs have been established: EPA Attiki, EPA Thessalia, EPA Thessaloniki and the procedures for the establishment of three new EPAs are in progress: EPA Eastern Macedonia and Thrace, EPA Central Macedonia and EPA Central Greece.

B) The Group has the right of use of Revithousa Island with indefinite duration where the facilities of Liquefied Natural Gas are located. The right of use has been granted by Greek Government free of charge with sole purpose the construction and operation of Liquefied Natural Gas Facilities. The Group has commenced the procedures regarding the acquisition of the major ownership of Revithousa Island from Greek Government.

C) Additionally, the Group, according to relevant private agreement signed on 15/09/2009 among DEPA S.A., PFI S.A. and ELFE S.A., has acquired the right, at its own expense, to construct, operate and exploit the Terminal of Liquefied Natural Gas (LNG) in PFI facilities in Kavala and to use part of its port facilities or to construct, operate and use for the aforementioned purposes additional port facilities in the existing parts of PFI's port facilities.

D) DEPA S.A. has a pending case in Competition Commission, after a complaint to Regulatory Authority of Energy (RAE) by ALUMINIO S.A. According to DEPA S.A., there is no case of principles' violation regarding free competition. Moreover, DEPA S.A. and DESFA S.A. have a pending case in Competition Commission, after a complaint of Motor Oil S.A. According to DEPA S.A., there is no case of principles' violation regarding free competition.

E) On 5 January 2011, IGI Poseidon and Bulgaria Energy Holding (BEH) established in Sofia (Bulgaria) the entity "ICGB AD (INTER-CONNECTOR GREECE BULGARIA AD". ICGB, which is owned equally by BEH and IGI Posidon. The new entity will be responsible for the development, construction and operation of Inter-Connector Greece-Bulgaria project, the natural gas pipeline which will connect Komotini (Greece) with Stara Zagora (Bulgaria). The IGB project will assist Bulgaria in order to have access to new sources of supply from Greece, while the European Commission has approved a grant amounting to EUR 45 million in connection with the recovery action program of European Economy.

F) DEFA's Board of Directors meeting with its 1113/8 decision approved the guarantee to "YAFA Poseidon" on behalf of European Committee up to amount of EUR 3,000,000. The guarantee was prerequisite in order "YAFA Poseidon", require equal advance from the funds of European Energy Programme for Recovery (E.E.P.R.).

G) On 3 May 2011, the Annual General Shareholders Meeting of the subsidiary EPA Thessaloniki S.A. decided the decrease of Company's share capital by an amount of EUR 70,000,000, with the cancelation of equal number of shares and reduction of the total number of shares to 237,850,000 shares of face value of EUR 1. The share capital return to the shareholders, in accordance to their percentage of participation at the moment of the decision (51% DEPA, which means EUR 35,700,000) was completed on 27/07/2011.

H) On 25/2/2011, the Company participated in the share capital increase of "YAFA Poseidon S.A." in accordance to its percentage of participation, by amount EUR 3,050,000 (50% DEPA).

I) In the article 179 of Law 4001/2011 for the "operation of Energy Markets of Electricity and Natural Gas, of research, production and transportation networks of hydrocarbon and of other services", has been voted the foundation of two additional EPA: EPA Epirus and West Macedonia and EPA Peloponnesus.

35. Subsequent events

Subsequent to 31 December 2011, on January 2012, DEPA S.A. received EUR 10.6 million as interim dividend from DESFA S.A. for 2011 profit.

On 6 March 2012 the agreement of the purchase from Shell (Attiki Gas B.V.) of additional percentage 25% of EPA Attiki, was completed. With this investment the participation of Shell in the share capital of EPA has increased to 49%.

There has been effort to sign new agreement between DEPA and PPC, in order to resolve pending issues, that are referred in notes 20 and 30, that derive from the Natural Gas Sale Agreement. Concerning this matter, during 2012, a proposal was made to compromise from the Hellenic Republic Asset Development Fund (TAIPED). This proposal has been referred to the General Shareholders' Meeting.

There have been no other events after 31 December 2011 that would have a significant influence to these financial statements and would need disclosure or amendment of the balances depicted.