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

Annual Financial Statements
for the year ended 31 December 2015
in accordance with International Financial Reporting Standards

(TRANSLATED FROM THE GREEK ORIGINAL)

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Company Information

Board of Directors: George Spanoudis – Chairman of the BoD
Theodoros Kitsakos – CEO (since 30/11/2015)
Dimitrios Dimitriadis – Vice Chairman of the BoD (since 30/11/2015)
Eleni Zilakaki – Member of the BoD | Representative of employees
Georgios Moustakis – Member of the BoD | Representative of employees
Michael Vergitsis – Member of the BoD (since 30/11/2015)
Georgios Germanos – Member of the BoD (since 30/11/2015)
Elli Digeni – Member of the BoD | HELPE Representative (since 30/11/2015)
Vasileios Karakitsos – Member of the BoD (since 30/11/2015)
Alexandros Sarivalasis – Member of the BoD (since 30/11/2015)
Diomedes Stamoulis – Member of the BoD | HELPE Representative (since 30/11/2015)

Other members of BoD for the year
Spyros Paleoyannis – CEO (up to 30/11/2015)
Konstantinos Andriosopoulos – Vice Chairman of the BoD. (up to 30/11/2015)
Theodoros-Achilleas Vardas – Member of the BoD | HELPE Representative (up to 30/11/2015)
Andreas Siamisiis – Member of the BoD | HELPE Representative (up to 30/11/2015)
Dimitrios Voganatsis – Member of the BoD (up to 30/11/2015)
Nikolaos Mendrinos – Member of the BoD (up to 30/11/2015)
Ioannis Chatzistavropoulos – Member of the BoD (up to 30/11/2015)
Kleopatra Aggelidi – Member of the BoD (up to 30/11/2015)

Registered office: 92 Marinou Antipa Street & 37 Papaioannou Street
141 21 Iraklio Attikis

Registration number: 17913/01AT/B/88/592(07)

GEMI (General electronic Commercial Registry): 000556901000

Audit Firm: KPMG Certified Auditors AE
3 Stratigou Tombra Street
153 42 Aghia Paraskevi
Athens, Greece

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
Revenue	6	938,789,862	1,088,029,671	954,466,327	1,159,087,557
Cost of sales		(844,589,056)	(998,463,056)	(888,478,427)	(1,100,846,394)
Gross profit		**94,200,806**	**89,566,615**	**65,987,900**	**58,241,163**
Administrative expenses	7	(24,619,268)	(27,197,320)	(12,756,292)	(13,858,568)
Distribution expenses	8	(16,815,127)	(10,375,248)	(16,483,637)	(10,042,671)
Other (expenses)/income	9	(59,738,664)	707,926	(68,842,518)	(1,321,559)
Amortization of grants	13	13,924,722	14,091,897	1,302,452	1,323,798
Share of profit from equity-accounted investees	16	26,729,905	18,175,405		
Income from investments				24,448,954	31,813,102
Gain/(Loss) from foreign currency translation differences	10	(6,509,473)	(4,530,771)	(6,578,427)	(4,555,023)
Operating Profit		**27,172,901**	**80,438,504**	**(12,921,568)**	**61,600,242**
Finance expense	11	(17,096,873)	(10,882,447)	(3,027,937)	(4,644,525)
Finance income	11	18,538,438	27,801,452	17,138,137	27,049,499
Profit before income tax		**28,614,466**	**97,357,509**	**1,188,632**	**84,005,216**
Income tax	12	4,539,463	(14,647,671)	12,967,458	(7,172,523)
Total comprehensive income after income tax		**33,153,929**	**82,709,838**	**14,156,090**	**76,832,693**
Other comprehensive income/(loss):					
Amounts that will never be reclassified to profit or loss					
Actuarial gain/(loss)		139,693	(1,945,099)	61,803	(197,131)
Related tax		(79,327)	506,194	(58,386)	51,254
Amounts that are or may be reclassified to profit or loss		(6,776)	11,347	-	-
Remeasurement of financial assets		1,762	(2,950)	-	-
Related tax		**55,352**	**(1,430,508)**	**3,417**	**(145,877)**
Other comprehensive income/(loss) after tax					
		33,209,281	**81,279,330**	**14,159,507**	**76,686,816**
Total comprehensive income for the year after tax					
	23	**2.94**	**7.35**	**1.26**	**6.82**
Basic and diluted earnings per share (expressed in Euro per share)					

The notes on pages 11 to 68 are an integral part of these financial statements.

(All amounts are expressed in EUR unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

		GROUP	
ASSETS	**Note**	**31/12/2015**	**31/12/2014**
Non-current assets			
Property, plant and equipment	14	2,009,695,545	2,016,134,679
Intangible assets	15	18,689,802	19,798,065
Investment in joint ventures	16	308,329,769	314,232,120
Investment in associates	16	11,265,992	8,508,465
Other long-term receivables		429,879	430,718
Deferred tax assets	17	40,256,206	27,337,278
Total non-current assets		**2,388,667,192**	**2,386,441,324**
Current assets			
Inventories	18	33,355,900	43,350,143
Trade and other receivables	20	422,610,613	421,264,055
Cash and cash equivalents	19	350,460,877	303,240,849
Total current assets		**806,427,390**	**767,855,047**
TOTAL ASSETS		**3,195,094,582**	**3,154,296,371**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	991,238,046	991,238,046
Reserves	22	143,960,061	137,114,820
Retained Earnings		539,349,694	563,268,740
Total Equity		**1,674,547,801**	**1,691,621,606**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	24	209,561,597	242,258,862
Provisions and other liabilities	27	48,401,970	45,362,242
Government grants	26	302,483,468	304,048,887
Employee benefits	25	12,562,074	12,826,905
Other long-term liabilities	28	560,128,330	579,316,740
Deferred tax liabilities	17	7,972,382	2,756,302
Total non-current liabilities		**1,141,109,822**	**1,186,569,938**
Current liabilities			
Trade and other payables	29	343,216,456	236,128,788
Loans and borrowings	24	32,697,264	32,697,264
Current tax liabilities		3,523,239	7,278,775
Total current liabilities		**379,436,959**	**276,104,827**
Total liabilities		**1,520,546,781**	**1,462,674,765**
TOTAL EQUITY AND LIABILITIES		**3,195,094,582**	**3,154,296,371**

The notes on pages 11 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**	**31/12/2015**	**31/12/2014**
Non-current assets			
Property, plant and equipment	14	727,958,573	727,216,675
Intangible assets	15	2,826,294	3,044,289
Investment in subsidiaries and joint ventures	16	891,303,979	906,617,851
Investment in associates	16	16,575,000	13,200,000
Other long-term receivables		166,372	167,176
Deferred tax assets	17	40,213,050	27,303,978
Total non-current assets		**1,679,043,268**	**1,677,549,969**
Current assets			
Inventories	18	11,878,221	19,553,205
Trade and other receivables	20	400,802,371	396,659,348
Cash and cash equivalents	19	284,860,174	238,972,599
Total current assets		**697,540,766**	**655,185,152**
TOTAL ASSETS		**2,376,584,034**	**2,332,735,121**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	991,238,046	991,238,046
Reserves	22	124,949,823	118,992,569
Retained Earnings		321,259,623	363,159,701
Total equity		**1,437,447,492**	**1,473,390,316**
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	27	6,540,295	6,833,028
Government grants	26	32,266,193	33,568,645
Employee benefits	25	1,242,491	1,317,515
Other long-term liabilities	28	559,938,211	579,127,620
Total non-current liabilities		**599,987,190**	**620,846,808**
Current liabilities			
Trade and other payables	29	339,149,352	236,629,745
Current tax liabilities		-	1,868,252
Total current liabilities		**339,149,352**	**238,497,997**
Total liabilities		**939,136,542**	**859,344,805**
TOTAL EQUITY AND LIABILITIES		**2,376,584,034**	**2,332,735,121**

The notes on pages 11 to 68 are an integral part of these financial statements.

Chairman of the Board of Directors	George Spanoudis
Chief Executive Officer	Theodoros Kitsakos
Executive Director Financial Activities Member of the Greek Economic Chamber – 750 – A' Class Signatory Right	Maria Fantridaki
Head of Costing, Balance Sheet and Consolidated Financial Statements Member of the Greek Economic Chamber – 14456– A' Class Signatory Right	Leonidas Mouzakitis

(All amounts are expressed in EUR unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserve	Other reserves	Special reserves	Available for sale reserves	Tax free reserves	Retained earnings	Total
Balance at 1 January 2014	991,238,046	48,955,084	461,086	81,376,695	(3,383)	3,143,841	595,911,925	1,721,083,293
Profit after tax for the year 1/1-31/12/2014	-	-	-	-	-	-	82,709,838	82,709,838
Other comprehensive income	-	-	-	-	8,397	-	(1,438,905)	(1,430,508)
Total comprehensive income for the year	-	-	-	-	8,397	-	81,270,932	81,279,329
Transactions with owners of the Company, recognized directly in equity:								
Reserves distribution	-	-	-	-	-	(1,683,899)	(520,830)	(2,204,729)
Transfer to reserves	-	4,857,000	-	-	-	-	(4,857,000)	-
Dividends	-	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with owners	-	4,857,000	-	-	-	(1,683,899)	(113,914,118)	(110,741,017)
Balance at 31 December 2014	**991,238,046**	**53,812,084**	**461,086**	**81,376,695**	**5,014**	**1,459,942**	**563,268,740**	**1,691,621,606**
Balance at 1 January 2015	991,238,046	53,812,084	461,086	81,376,695	5,014	1,459,942	563,268,740	1,691,621,606
Profit after tax for the year 1/1-31/12/2015	-	-	-	-	-	-	33,153,929	33,153,929
Other adjustments	-	-	-	-	-	-	(180,755)	(180,755)
Other comprehensive income	-	-	-	-	(5,014)	-	60,366	55,352
Total comprehensive income for the year	-	-	-	-	(5,014)	-	33,033,540	33,028,526
Transactions with owners of the Company, recognized directly in equity:								
Transfer to reserves	-	2,081,000	4,769,255	-	-	-	**(6,850,255)**	**-**
Dividends	-	-	-	-	-	-	**(50,102,332)**	**(50,102,332)**
Total transactions with owners	-	2,081,000	4,769,255	-	-	-	**(56,952,587)**	**(50,102,332)**
Balance at 31 December 2015	**991,238,046**	**55,893,084**	**5,230,341**	**81,376,695**	**-**	**1,459,942**	**539,349,694**	**1,674,547,801**

The notes on pages 11 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	Other reserves	Special reserves	Tax free reserves	Retained earnings	Total
Balance at 1 January 2014	991,238,046	32,257,584	12,228	81,376,695	3,187,961	399,372,005	1,507,444,519
Profit after tax for the year 1/1-31/12/2014	-	-	-	-	-	76,832,693	76,832,693
Other comprehensive income	-	-	-	-	-	(145,877)	(145,877)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**76,686,814**	**76,686,814**
Transactions with owners of the Company, recognized directly in equity:							
Reserves distribution	-	-	-	-	(1,683,899)	(520,830)	(2,204,729)
Transfer to reserves	-	3,842,000	-	-	-	(3,842,000)	-
Dividends	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with owners	-	3,842,000	-	-	(1,683,899)	(112,899,118)	(110,741,017)
Balance at 31 December 2014	**991,238,046**	**36,099,584**	**12,228**	**81,376,695**	**1,504,062**	**363,159,701**	**1,473,390,316**
Balance at 1 January 2015	991,238,046	36,099,584	12,228	81,376,695	1,504,062	363,159,701	1,473,390,316
Profit after tax for the year 1/1-31/12/2015	-	-	-	-	-	14,156,090	14,156,090
Other comprehensive income	-	-	-	-	-	3,417	3,417
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**14,159,507**	**14,159,507**
Transactions with owners of the Company, recognized directly in equity:							
Transfer to reserves	-	1,188,000	4,769,255	-	-	(5,957,255)	-
Dividends	-	-	-	-	-	(50,102,332)	(50,102,332)
Total transactions with owners	**-**	**1,188,000**	**4,769,255**	**-**	**-**	**(56,059,586)**	**(50,102,332)**
Balance at 31 December 2015	**991,238,046**	**37,287,584**	**4,781,483**	**81,376,695**	**1,504,062**	**321,259,623**	**1,437,447,492**

The notes on pages 11 to 68 are an integral part of these financial statements.

(All amounts are expressed in EUR unless otherwise stated)

CASH FLOW STATEMENT

	GROUP		COMPANY	
	1/1-31/12/2015	1/1-1/12/2014*	1/1-31/12/2015	1/1-31/12/2014
Cash Flows from operating activities:				
Profit before income tax	28,614,466	97,357,509	1,188,632	84,005,216
Adjustments for:				
Depreciation and amortization	80,812,391	77,713,326	24,035,477	23,047,023
Provisions	90,251,528	7,897,465	87,108,875	5,344,502
(Profit)/ loss from jointly controlled entities	(27,347,379)	(18,806,203)	-	-
(Profit)/ loss from investments in associates	617,474	630,798	-	-
Impairment losses from property, plant and equipment	1,374,691	-	796,066	-
Income from dividends	-	-	(24,448,954)	(31,813,102)
(Profit)/ loss on sale of property, plant and equipment	91,678	-	91,620	-
Amortization of grants	(13,924,722)	(14,091,897)	(1,302,452)	(1,323,798)
Foreign currency differences	296,045	369,502	296,045	393,753
Net finance cost	(1,441,564)	(16,919,004)	(14,110,200)	(22,404,973)
Amortization of rights of use	(39,398,431)	(38,049,340)	(39,398,431)	(38,049,340)
	119,946,177	96,102,156	34,256,679	19,199,280
Adjustments for changes in working capital or changes related to operating activities:				
Decrease /(Increase) in inventories	9,994,244	16,509,540	7,674,983	5,208,951
Decrease /(Increase) in receivables	(10,051,768)	105,035,115	(12,848,235)	134,931,691
Decrease/(Increase) in long term receivable	837	48,628,845	802	48,744,566
(Decrease)/Increase in liabilities (excluding banks)	20,393,938	6,776,854	20,789,726	(73,071,096)
Cash Flows from operating activities	140,283,427	273,052,510	49,873,955	135,013,392
Interest and other related expenses paid	(15,622,664)	(10,898,354)	(1,553,728)	(4,644,525)
Taxes paid	(180,755)	(19,177,680)	-	-
Net cash from operating activities (a)	**124,480,008**	**242,976,476**	**48,320,227**	**130,368,867**
Cash flows from investing activities:				
Acquisition of subsidiaries, associates, joint ventures and other investments	(3,375,000)	-	(3,375,000)	-
Acquisition of property, plant and equipment and intangible assets	(53,182,451)	(77,413,629)	(3,898,151)	(2,185,143)
Dividends received	17,843,588	21,070,309	24,448,954	69,313,102
Interest received	16,580,305	26,405,645	15,180,005	25,637,785
Proceeds from grants	12,359,304	12,555,906	-	-
Proceeds from share capital decrease of equity accounted investees	15,313,872	25,501,834	15,313,872	25,501,834
Net Cash from investing activities (b)	**5,539,617**	**8,120,065**	**47,669,680**	**118,267,578**
Cash Flows from financing activities:				
Proceeds from borrowings	-	40,000,000	-	-
Repayment of borrowings	(32,697,264)	(32,697,264)	-	-
Dividends paid	(50,102,332)	(109,161,328)	(50,102,332)	(109,161,328)
Net Cash from financing activities (c)	**(82,799,596)**	**(101,858,592)**	**(50,102,332)**	**(109,161,328)**
Net increase / (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	**47,220,029**	**149,237,949**	**45,887,575**	**139,475,117**
Cash and cash equivalents at 1 January	303,240,849	154,002,901	238,972,599	99,497,481
Cash and cash equivalents at 31 December	**350,460,877**	**303,240,849**	**284,860,174**	**238,972,599**

The notes on pages 11 to 68 are an integral part of these financial statements.

* Comparative amounts were restated for consistency.

NOTES TO THE FINANCIAL STATEMENTS

1. Description of the Group

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

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

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

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

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

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

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

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

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

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

Approval of Financial Statements

The annual financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 30 May 2016. These are located on the website: www.depa.gr.

2. Basis of preparation

2.1. General

The accompanying annual stand-alone and consolidated financial statements for the year ended 31 December 2015 ("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 2015, as adopted by the European Union.

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

(a) the Group and the Company are profitable,
(b) the level of cash funds has been improved,
(c) there is little dependence on external borrowings on Group level. The Company has no loans,
(d) there is positive working capital

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

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

3. Significant Accounting Policies

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

3.1. Basis of Consolidation

The annual consolidated financial statements as at 31 December 2015 include the financial statements of the Company, its subsidiaries, its jointly controlled entities and its associates.

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

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

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

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

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

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

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

3.2. Functional and presentation currency and foreign currency translations

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

(All amounts are expressed in EUR unless otherwise stated)

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

3.3. Property, plant and equipment

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

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

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

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

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

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

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

3.4. Intangible Assets

3.4.1 Rights of use

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

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

3.4.2 Software

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

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

3.5. Impairment of non-financial assets

Property, plant and equipment, intangible assets and other non-current assets are tested for impairment whenever facts or changes in circumstances indicate that their carrying amounts may not be recoverable. When the carrying amount of any asset exceeds its recoverable amount, the respective impairment loss is recognized in profit and loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount recoverable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. If the Group is unable to estimate the recoverable amount of an asset for which there is an indication of impairment, then the recoverable amount of the cash generating unit in which the asset is grouped, is used instead. For the assessment of impairment losses, the assets are grouped at the smallest possible cash generating units.

An impairment loss recorded in previous years is reversed only if there is sufficient evidence that the impairment no longer exists or it has been decreased. In such situations the above mentioned reversal is recognized as income in profit and loss. For the year ended 31 December 2015 there was no impairment of the Group's non-financial assets.

3.6. Financial Assets

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

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

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

a) Loans and receivables

These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and there is no intention for their trading. Loans and receivables are included in current assets, except for those with maturity date at least 12 months from the reporting date. These assets are classified as non-current assets.

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

b) Cash and cash equivalents

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

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

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

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

3.7. Inventories

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

3.8. Share capital

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

3.9. Loans and Borrowings

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

3.10. Income Tax

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

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

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

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

3.11. Employee Benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

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

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

(d) Employee termination benefits

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

3.12. Government grants

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

3.13. Provisions and contingent assets and liabilities

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

3.14. Trade and other payables

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

3.15. Revenue recognition

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

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

(a) Sale of Gas

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

(b) Gas transmission tariffs

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

(c) Dividend income

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

(d) Income from rights to use networks

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

3.16. Interest income

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

3.17. Expenses

3.17.1 Operating leases

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

3.17.2 Finance cost

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

3.17.3 Recognition of Expenses

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

3.18. Earnings per share

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

4. Use of judgments and estimates

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

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

Critical accounting estimates and judgments of management

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

Impairment of trade receivables

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

Income tax

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

Revenue recognition and accrued income

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

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

Estimated impairment of non-financial assets

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

Measurement of fair values

The Group's main financial instruments are cash, bank deposits, trade and other receivables and payables as well as bank loans. Due to the short term nature of these instruments, Group management believes that their fair value is essentially equal to their carrying amount with the exemption of bank loans the carrying amount of which is euro 242.3 million while their fair value is euro 223.3 million

Obligations for defined benefit plans

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

Provisions and contingent liabilities

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

5. New standards, amendments to standards and interpretations

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2014 and 2015, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2015:

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

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

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

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

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

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

Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2015 and have not been early adopted by the Company.

- **Amendment to International Financial Reporting Standard 11** "Joint Arrangements": Accounting for acquisition of interests in joint operations (Regulation 2015/2173/24.11.2015)

Effective for annual periods beginning on or after 1.1.2016

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

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

- **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Disclosure Initiative (Regulation 2015/2406/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The main amendments are summarized below:

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

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

- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 38** "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)

Effective for annual periods beginning on or after 1.1.2016

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

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

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

- **Amendment to International Accounting Standard 27** "Separate Financial Statements": Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

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

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

- **Improvements to International Accounting Standards – cycle 2012-2014** (Regulation 2015/2343/15.12.2015)

Effective for annual periods beginning on or after 1.1.2016

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

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

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

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

Effective for annual periods beginning on or after 1.1.2018

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

Classification and measurement

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

i. The entity's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial assets.

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

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

Impairment

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

Hedging

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

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

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

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

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

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

Effective for annual periods beginning on or after 1.1.2016

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

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

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

Effective date: To be determined

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

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

On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

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

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

Effective for annual periods beginning on or after 1.1.2016

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

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

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

Effective for annual periods beginning on or after 1.1.2018

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

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

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

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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

The new IFRS 15 supersedes:

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

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

- **International Financial Reporting Standard 16** "Leases"

Effective for annual periods beginning on or after 1.1.2019

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 "Leases" which supersedes:

- IAS 17 " Leases"
- IFRIC 4 "Determining whether an arrangement contains a lease"
- SIC 15 "Operating Leases – Incentives" and
- SIC 27 "Evaluating the substance of transactions involving the legal form of a lease".

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

The Company is examining the impact from the adoption of IFRS 16 on its financial statements.

- **Amendment to International Accounting Standard 7** "Statement of Cash Flows": Disclosure Initiative

Effective for annual periods beginning on or after 1.1.2017

On 29.1.2016 the International Accounting Standards Board issued an amendment to IAS 7 according to which an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. The changes that shall be disclosed, which may arise both from cash flows and non-cash changes, include:

- changes from financing cash flows,
- changes arising from obtaining or losing control of subsidiaries or other businesses,
- the effect of changes in foreign exchange rates,
- changes in fair values and
- other changes.

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

- **Amendment to International Accounting Standard 12** "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses

Effective for annual periods beginning on or after 1.1.2017

On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:

- Unrealized losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the asset by sale or by use.
- The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.
- During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.

The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

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

(All amounts are expressed in EUR unless otherwise stated)

6. Revenue

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Sale of gas-wholesale	879,656,403	1,045,829,609	911,945,131	1,120,425,843
Sale of gas-retail	432,276	202,743	432,276	202,743
Income from amortization of rights	39,398,431	38,049,340	39,398,431	38,049,340
Other income	8,023	409,631	8,023	409,631
Gas transit fees and other network services	19,294,730	3,538,348	2,682,466	-
Total	**938,789,862**	**1,088,029,671**	**954,466,327**	**1,159,087,557**

7. Administrative Expenses

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Staff costs	(7,777,109)	(7,825,488)	(3,403,780)	(3,465,731)
Third party fees	(9,078,778)	(9,623,425)	(4,609,127)	(5,025,760)
Utilities	(2,525,333)	(2,740,233)	(1,482,105)	(1,685,918)
Taxes and duties	(2,017,660)	(2,308,103)	(1,880,478)	(2,203,070)
Other expenses	(2,834,239)	(3,044,687)	(1,293,609)	(1,373,380)
Interest expense and similar charges	-	(1,164,162)	-	-
Provision for staff compensations	(264,792)	(274,657)	(22,235)	4,678
Depreciation and amortization	(121,358)	(216,565)	(64,957)	(109,387)
Total	**(24,619,268)**	**(27,197,320)**	**(12,756,292)**	**(13,858,568)**

8. Distribution Expenses

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Consumption-losses	(1,100,818)	(2,145,045)	(1,100,818)	(2,145,045)
Staff costs	(694,938)	(676,647)	(639,761)	(631,515)
Third party fees	(1,755,707)	(1,441,051)	(1,677,818)	(1,346,395)
Utilities	(232,208)	(223,186)	(222,996)	(215,490)
Taxes and duties	(43,920)	(42,897)	(33,032)	(35,884)
Other Expenses	(4,094,730)	(5,713,943)	(3,919,626)	(5,538,815)
Provision for staff compensations	(8,826,494)	(11,976)	(8,823,988)	(9,735)
Depreciation and amortization	(66,310)	(120,503)	(65,598)	(119,792)
Total	**(16,815,127)**	**(10,375,248)**	**(16,483,637)**	**(10,042,671)**

(All amounts are expressed in EUR unless otherwise stated)

9. Other (expenses)/income

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

	GROUP		COMPANY	
Other expenses	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Provision for other risks	(74,482,027)	-	(74,482,027)	-
Other expenses	(2,556,446)	(2,919,851)	(1,748,789)	(2,308,017)
Prior year expenses	(381,959)	(3,098,871)	(57,380)	(1,275,822)
Provision for doubtful customers	(4,006,896)	-	(4,006,896)	-
Total other expense	**(81,427,328)**	**(6,018,722)**	**(80,295,093)**	**(3,583,839)**

	GROUP		COMPANY	
Other income	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Grants	173,325	-	173,325	-
Income from other activities	7,621,527	1,639,514	414,370	468,861
Other income	9,301,752	2,770,023	8,983,105	332,863
Release of provisions	4,592,062	2,317,110	1,881,775	1,460,556
Total other income	**21,688,665**	**6,726,647**	**11,452,575**	**2,262,280**
Other (expenses)/income	**(59,738,664)**	**707,926**	**(68,842,518)**	**(1,321,559)**

10. Foreign currency translation differences gain / (loss)

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

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
Loss from foreign exchange differences	(14,160,121)	(9,381,188)	(14,156,961)	(9,404,303)
Gain from foreign exchange differences	7,650,648	4,850,417	7,578,534	4,849,280
Net loss from foreign exchange differences	**(6,509,473)**	**(4,530,771)**	**(6,578,427)**	**(4,555,023)**

11. Finance cost and income

Finance cost of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
Interest expense	(14,068,954)	(10,049,264)	-	-
Other finance expenses	(3,027,919)	(833,183)	(3,027,937)	(4,644,525)
Total finance cost	**(17,096,873)**	**(10,882,447)**	**(3,027,937)**	**(4,644,525)**

(All amounts are expressed in EUR unless otherwise stated)

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Interest income and related income	18,538,438	27,801,452	17,138,137	27,049,499
Total finance income	**18,538,438**	**27,801,452**	**17,138,137**	**27,049,499**

12. Income tax

Income tax expense in profit and loss of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Current income tax	(3,280,672)	(6,270,166)	-	(1,868,252)
Deferred tax	7,820,135	(8,377,505)	12,967,458	(5,304,271)
Total	**4,539,463**	**(14,647,671)**	**12,967,458**	**(7,172,523)**

	GROUP				COMPANY			
	%	31/12/2015	%	31/12/2014	%	31/12/2015	%	31/12/2014
Profit before tax		**28.614.466**		**97.357.509**		**1.188.632**		**84.005.216**
Tax using the Company's tax rate (2015: 29 %, 2014: 26%)	29%	(8,298,195)	26%	(25,312,952)	29%	(344,704)	26%	(21,841,356)
Non-deductible expenses	(12%)	3,421,309	(2%)	2,028,754	55%	(649,038)	0%	(265,259)
Tax-exempt income	(8%)	2,333,340	(6%)	5,529,010	(608%)	7,231,385	(10%)	8,280,689
Other taxes and tax provisions	0%	(101)	0%	(85)		-		-
Tax on reserves		-	(4%)	3,487,796		-	(4%)	3,487,796
Tax rate differences	(10%)	2,846,005		-	(266%)	3,164,040		-
Other	(15%)	4,237,106	0%	(380,194)	(300%)	3,565,775	(4%)	3,165,607
Total tax in profit and loss	**(16%)**	**4,539,463**	**15%**	**(14,647,671)**	**(1091%)**	**12,967,458**	**9%**	**(7,172,523)**

(All amounts are expressed in EUR unless otherwise stated)

13. Depreciation and Amortization

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cost of sales	80,609,397	77,355,531	23,904,553	22,817,347
Administrative expenses	121,358	216,565	64,957	109,387
Distribution expenses	66,310	120,503	65,598	119,792
Finance expenses	15,325	20,727	369	497
Total depreciation for the year	**80,812,391**	**77,713,326**	**24,035,477**	**23,047,023**
Less:				
Amortization of grants	(13,924,722)	(14,091,897)	(1,302,452)	(1,323,798)
Net result of depreciation and amortization in the profit and loss	**66,887,669**	**63,621,429**	**22,733,025**	**21,723,226**

(All amounts are expressed in EUR unless otherwise stated)

14. Property, plant and equipment

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

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

(All amounts are expressed in EUR unless otherwise stated)

	GROUP						
	Land	**Buildings and building installations**	**Machinery**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Cost							
Balance as at 1/1/2015	**9,135,756**	**100,499,369**	**2,510,714,156**	**1,817,332**	**43,520,713**	**176,319,307**	**2,842,006,633**
Additions	-	-	21,620,010	9,046	228,263	51,383,855	73,241,174
Borrowing costs during construction period	-	-	-	-	-	1,239,713	1,239,713
Disposals	-	-	(170,217)	(32,845)	(17,344)	(796,066)	(1,016,472)
Transfers within property, plant and equipment	-	603,029	118,372,503	-	1,001,575	(119,977,107)	-
Balance as at 31/12/2015	**9,135,756**	**101,102,397**	**2,650,536,452**	**1,793,533**	**44,733,208**	**108,169,701**	**2,915,471,048**
Accumulated depreciation							
Balance as at 1/1/2015	**-**	**65,399,503**	**719,592,251**	**1,743,535**	**39,136,665**	**-**	**825,871,954**
Additions	**-**	4,725,190	73,112,777	16,692	2,177,618	**-**	80,032,277
Disposals	**-**	-	(79,042)	(32,845)	(16,841)	-	(128,728)
Balance as at 31/12/2015		**70,124,693**	**792,625,986**	**1,727,381**	**41,297,442**		**905,775,503**
Net Book Value							
Balance as at 1/1/2015	**9,135,756**	**35,099,866**	**1,791,121,905**	**73,797**	**4,384,048**	**176,319,307**	**2,016,134,679**
Balance as at 31/12/2015	**9,135,756**	**30,977,704**	**1,857,910,466**	**66,152**	**3,435,766**	**108,169,701**	**2,009,695,545**

(All amounts are expressed in EUR unless otherwise stated)

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

(All amounts are expressed in EUR unless otherwise stated)

	COMPANY						
	Land	Buildings and building installations	Machinery	Vehicles	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as at 1/1/2015	**1,339,341**	**7,694,609**	**905,594,435**	**133,229**	**5,873,319**	**4,745,855**	**925,380,788**
Additions	-	-	21,560,876	9,046	56,516	3,803,347	25,429,785
Disposals/Write offs/other decreases	-	-	(170,209)	(32,845)	(1,392)	(796,066)	(1,000,512)
Transfers within property, plant and equipment	-	-	3,631,378	-	-	(3,631,378)	-
Balance as at 31/12/2015	**1,339,341**	**7,694,609**	**930,616,480**	**109,431**	**5,928,443**	**4,121,757**	**949,810,061**
Accumulated depreciation							
Balance as at 1/1/2015	**-**	**6,027,730**	**186,877,139**	**102,172**	**5,157,072**	**-**	**198,164,112**
Additions	-	184,837	23,393,349	7,078	214,940	-	23,800,203
Disposals/Write offs/ other decreases	-	-	(79,034)	(32,845)	(948)	-	(112,827)
Balance as at 31/12/2015	**-**	**6,212,567**	**210,191,454**	**76,405**	**5,371,065**	**-**	**221,851,488**
Net Book Value							
Balance as at 1/1/2015	**1,339,341**	**1,666,879**	**718,717,296**	**31,057**	**716,247**	**4,745,855**	**727,216,675**
Balance as at 31/12/2015	**1,339,341**	**1,482,042**	**720,425,026**	**33,026**	**557,378**	**4,121,757**	**727,958,573**

(All amounts are expressed in EUR unless otherwise stated)

15. Intangible Assets

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

	GROUP			COMPANY		
	Software	Rights of use*	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2014	**3,022,746**	**30,138,115**	**33,160,861**	**922,535**	**4,736,971**	**5,659,506**
Additions	106,713	834,678	941,391	14,022	-	14,022
Transfers	417,020	-	417,020	-	-	-
Balance as at 31/12/2014	**3,546,479**	**30,972,793**	**34,519,272**	**936,557**	**4,736,971**	**5,673,528**
Accumulated amortization						
Balance as at 1/1/2014	**2,910,715**	**11,014,605**	**13,925,320**	**821,135**	**1,549,568**	**2,370,702**
Additions	72,266	723,621	795,888	63,205	195,331	258,536
Balance as at 31/12/2014	**2,982,981**	**11,738,226**	**14,721,208**	**884,340**	**1,744,899**	**2,629,238**
Net Book Value						
Balance as at 1/1/2014	**112,031**	**19,123,510**	**19,235,541**	**101,400**	**3,187,403**	**3,288,803**
Balance as at 31/12/2014	**563,498**	**19,234,568**	**19,798,065**	**52,217**	**2,992,072**	**3,044,289**

* Comparative amounts were restated for consistency.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			COMPANY		
	Software	Rights of use	Total	Software	Rights of use	Total
Cost						
Balance as at 1/1/2015	**3,546,479**	**30,972,793**	**34,519,272**	**936,557**	**4,736,971**	**5,673,528**
Additions	74,773	175,703	250,476	17,277	-	17,277
Disposals	-	(578,625)	(578,625)	-	-	-
Balance as at 31/12/2015	**3,621,252**	**30,569,871**	**34,191,123**	**953,834**	**4,736,971**	**5,690,805**
Accumulated amortization						
Balance as at 1/1/2015	**2,982,981**	**11,738,226**	**14,721,208**	**884,340**	**1,744,899**	**2,629,238**
Additions	61,790	718,323	780,113	39,942	195,331	235,273
Balance as at 31/12/2015	**3,044,771**	**12,456,550**	**15,501,321**	**924,282**	**1,940,230**	**2,864,511**
Net Book Value						
Balance as at 1/1/2015	**563,498**	**19,234,567**	**19,798,065**	**52,217**	**2,992,072**	**3,044,289**
Balance as at 31/12/2015	**576,481**	**18,113,321**	**18,689,802**	**29,552**	**2,796,741**	**2,826,294**

(All amounts are expressed in EUR unless otherwise stated)

16. Investments in subsidiaries and associates

The Group consists of the following companies:

COMPANY	LOCATION	PRINCIPAL ACTIVITY	CONSOLIDATION METHOD	PARTICIPATION RELATIONSHIP	% PARTICIPATION 31.12.2015	% PARTICIPATION 31.12.2014
DEPA A.E.	Athens	Import, distribution and sale of Natural Gas	Full consolidation	-	Parent	Parent
I. Subsidiaries						
DESFA A.E.	Athens	Operator of the national natural gas system	Full consolidation	Direct	100.00%	100.00%
II. Jointly controlled entities and associates						
EPA ATTIKIS A.E.	Athens	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
EPA THESSALONIKIS A.E.	Thessaloniki	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
EPA THESSALIAS A.E.	Thessalia	Distribution and sale of Natural Gas	Equity method	Direct	51.00%	51.00%
Y.A.F.A. POSEIDON A.E.	Athens	Construction & operation of underwater gas pipeline between Greece and Italy	Equity method	Direct	50.00%	50.00%
SOUTH STREAM NATURAL GAS PIPELINE A.E.	Athens	Development, financing, construction, operation & maintenance of south stream natural gas pipeline	Equity method	Indirect	50.00%	50.00%
ICGB AD	Sofia	Development, planning, financing, construction, management operation & maintenance of IGB natural gas pipeline	Equity method	Indirect	25.00%	25.00%

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

Reduction of share capital by cash return to the shareholders:

On 12 May 2015 the Extraordinary General Assembly of the shareholders of EPA Thessalonikis decided to reduce the share capital with the payment in cash to the shareholders. The reduction was equal to the amount of EUR 9,300,000 (51% DEPA, EUR 4,743,000), with the cancellation of respective number of shares and reduction of the total amount of shares to 193,550,000 shares of nominal value EUR 1. The payment of the share capital to shareholders, was based on their participation rate at the date of the decision (DEPA 51% i.e. EUR 4,743,000 and Eni SPA 49% i.e. EUR 4,557,000).

On 12 May 2015 the Extraordinary General Assembly of the shareholders of EPA Thessalias decided to reduce the share capital with the payment in cash to the shareholders. The reduction was equal to the amount of EUR 5,700,000 with the cancelation of respective number of shares and reduction of the total amount of shares to 72,759,200 shares of nominal value EUR 1. The payment of the share capital to shareholders, was based on their participation rate at the date of the decision (DEPA 51% i.e. EUR 2,907,000 and Eni SPA 49% i.e. EUR 2,793,000).

(All amounts are expressed in EUR unless otherwise stated)

On 6 May 2015 the Extraordinary General Assembly of the shareholders of EPA Attikis decided to reduce the share capital with the payment in cash to the shareholders. The reduction was equal to the amount of EUR 15,027,200 with the cancellation of 512,000 shares and reduction of the total amount of shares to 9,266,000 shares of nominal value EUR 29.35. The payment of the share capital to shareholders, was based on their participation rate at the date of the decision (DEPA 51% i.e. EUR 7,663,872 and Attiki Gas BV 49% i.e. EUR 7,363,328).

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Investments in subsidiaries				
DESFA	-	-	629,341,478	629,341,478
Investments in jointly controlled entities				
EPA ATTIKIS A.E.	150,161,384	152,039,412	112,108,110	119,771,982
EPA THESSALONIKIS A.E.	113,791,705	115,976,895	108,443,960	113,186,960
EPA THESSALIAS A.E.	44,376,679	46,215,813	41,410,432	44,317,432
Cost value of investments in subsidiaries and jointly controlled entities	308,329,768	314,232,120	891,303,980	906,617,851
Investments in associates				
YAFA POSEIDON A.E.	10,961,675	8,194,708	16,575,000	13,200,000
SOUTH STREAM NATURAL GAS PIPELINE A.E.	304,317	313,757	-	-
Cost value of investments in associates	**11,265,992**	**8,508,465**	**16,575,000**	**13,200,000**

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

Summary of financial information for subsidiaries for the year 2015:

Name	Country of registration	Assets	Liabilities	Revenue	Profit (loss)	Participation percentage
YAFA POSEIDON A.E.	GREECE	23,216,592	1,293,243	-	(1,216,067)	50%
SOUTH STREAM NATURAL GAS PIPELINE A.E.	GREECE	609,244	611	-	(18,881)	50%

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening balance	8,508,465	9,139,263	13,200,000	13,200,000
Additions	3,375,000	-	3,375,000	-
Total share of loss (after taxes)	(617,473)	(630,798)	-	-
Closing balance	11,265,992	8,508,465	16,575,000	13,200,000

Summary of Financial Information of jointly controlled entities for the year 2015:

	EPA ATTIKIS A.E.		EPA THESSALONIKIS A.E.		EPA THESSALIAS A.E.	
	2015	2014	2015	2014	2015	2014
Non-current Assets	288,641,480	301,068,444	204,742,285	210,773,877	91,140,547	90,686,189
Cash and cash equivalents	28,467,108	35,677,001	34,134,355	24,909,444	18,092,568	15,466,852
Other Current Assets	51,226,120	40,835,525	26,606,266	37,230,503	15,076,201	22,198,769
Long term loans	(10,915,225)	(16,477,425)	-	-		
Other long term liabilities	(27,386,842)	(26,450,076)	(23,190,779)	(21,852,176)	(17,685,128)	(17,451,824)
Short-term loans	(5,560,000)	(5,560,000)	-	-		
Other current liabilities	(30,038,555)	(30,976,974)	(19,177,220)	(23,662,056)	(19,611,172)	(20,280,825)
Total Equity	**294,434,086**	**298,116,494**	**223,114,907**	**227,399,592**	**87,013,015**	**90,619,160**
Group share in equity (51%)	150,161,384	152,039,412	113,788,602	115,973,792	44,376,638	46,215,772
Other adjustments	-	-	3,103	3,103	41	41
Cost value of jointly controlled companies	**150,161,384**	**152,039,412**	**113,791,706**	**115,976,895**	**44,376,679**	**46,215,813**
Revenue	169,185,449	158,718,109	136,257,821	127,272,493	74,489,428	67,585,251
Depreciation and amortization	(20,017,280)	(19,607,155)	(14,508,591)	(13,956,122)	6,366,697	(5,849,605)
Finance income	1,276,267	1,155,169	509,915	828,470	395,137	514,443
Finance cost	(1,609,779)	(1,584,829)	(112,927)	(162,558)	(139,396)	(224,176)
Income tax	(8,958,820)	(4,468,328)	(8,990,831)	(6,427,036)	(4,584,854)	(3,259,499)
Net profit for the period and other comprehensive income (100%)	**21,122,792**	**10,253,769**	**21,815,534**	**17,677,926**	**10,503,062**	**8,847,970**
Net profit for the period and other comprehensive income (51%)	**10,772,624**	**5,229,422**	**11,125,922**	**9,015,742**	**5,356,562**	**4,512,465**

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

The Group received dividends of EUR 8,568,111.68, EUR 4,288,695.77 and EUR 4,986,780.00 from EPA Thessaloniki, EPA Thessalias and EPA Attikis respectively.

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

The Group owns 50% of the shares of the company Y.A.F.A. POSEIDON SA which was incorporated on June 12, 2008 from the parent company D.EP.A SA and the Dutch company Edison International Holding N.V. (100% subsidiary of Edison S.p.A. Italy), which owns the remaining 50% of the shares. Y.A.F.A. POSEIDON A.E, will design, construct and operate the underwater natural gas pipeline between Greece and Italy. On May 15, 2012 and on October 31, 2012, DEPA participated in the capital increase by a total amount of EUR 2,150,000. On October 23, 2014 the Extraordinary General Assembly resolved to increase the share capital by EUR 1,500,000, and DEPA, based on its participation percentage, paid EUR 750,000 on February 19, 2015. On May 12, 2015 the Extraordinary General Assembly resolved to increase the share capital by EUR 5,250,000, and DEPA, based on its participation percentage, paid EUR 1,312,500 on May 25,2015 and EUR 1,312,500 on August 21, 2015.

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

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

- **«INTERCONNECTOR GREECE BULGARIA AD»**

The Group owns 25% of the shares of INTERCONNECTOR GREECE BULGARIA AD which was incorporated on January 5, 2011. IGI Poseidon A.E. and the Bulgarian company Energy Holding EAD participate in the share capital of the company with 50% each. The purpose of the company is: a) the development, planning, finance, management, construction, operation and maintenance of IGB natural gas pipeline, owned by the company, b) the ownership of IGB's pipeline, c) the operation of IGB, the ability to transfer through the pipeline and to conclude transfer agreements for IGB, d) to sign contracts for the interconnection of pipelines on tangent points and the IGB installations. The registered share capital of "ICGB AD" was EUR 4,400,000 as at 31 December 2011 and it was fully paid. According to the decision of the General Assembly of the Shareholders of ICGB AD held on October 25, 2011, the share capital increased by EUR 400,000 through the issuance of new shares. The share capital increase, was paid on January 23, 2012. The paid in share capital of "ICGB AD" was increased in 2013 by EUR 2,000,000 according to the decision of the General Assembly of the Shareholders on December 19, 2012. At 31 December 2014 the share capital amounted to EUR 6,400,004. According to the decision No 22/12.05.2015 of the Extraordinary General Assembly of the shareholders of Y.A.F.A POSEIDON, the share capital of ICGB increased by EUR 10,500,000, which was paid based on the participation percentage of its shareholders i.e. EUR 5,250,000. The share capital increase took place in two equal installments of EUR 2,625,000 on May 26, 2015 and on September 8, 2015. Thus on December 31, 2015 the total share capital of ICGB was EUR 16,900,004.

(All amounts are expressed in EUR unless otherwise stated)

17. Deferred tax

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014*	31/12/2015	31/12/2014
Deferred tax liability				
Untaxed reserves	(217,448)	(170,852)	(217,449)	(170,852)
Borrowings cost	(5,341)	(6,630)	-	-
Effect of foreign currency translation differences from valuation	(11,875)	(10,717)	-	(72)
Capitalization of borrowing costs	(3,418,939)	(3,065,256)	-	-
Revenue from EPA networks	(644,875)	(554,609)	(644,875)	(554,609)
Grants on tangible assets	2,936,612	1,607,327	-	-
	(1,361,866)	**(2,200,737)**	**(862,324)**	**(725,533)**
Deferred tax asset				
Provision for doubtful customers	21,871,856	17,559,621	21,871,856	17,559,621
Provision for inventory obsolescence	2,840,404	2,546,569	483,432	433,422
Employee benefits obligations	3,864,617	3,656,399	769,392	693,237
Defined Benefit Plans	(1,649,403)	(1,409,898)	(409,067)	(350,681)
Depreciation	(28,050,233)	(16,563,218)	(10,576,489)	(6,074,853)
Provisions for legal cases	754,848	1,136,165	754,848	1,136,165
Government grants	4,198,008	3,835,754	4,198,007	3,835,753
Other provisions	5,879,851	16,020,322	47,656	10,796,846
Foreign currency translation differences	85,854	-	85,854	-
Tax losses carried forward	23,849,886	-	23,849,886	-
	33,645,688	**26,781,715**	**41,075,375**	**28,029,510**
Net deferred tax asset in the statement of financial position	**32,283,824**	**24,580,976**	**40,213,050**	**27,303,978**

* Comparative amounts were restated for consistency.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			
	31/12/2013	Debit / (Credit) in profit and loss	Debit / (Credit) in equity	31/12/2014*
Deferred tax liability				
Untaxed reserves	(541,912)	371,060	-	(170,852)
Borrowing cost	(8,472)	1,842	-	(6,630)
Effect of foreign currency translation differences from valuation	(64,007)	53,289	-	(10,717)
Capitalization of borrowing costs	(3,065,256)	-	-	(3,065,256)
Revenue from EPA networks	(500,996)	(53,613)	-	(554,609)
Grants on tangible assets	828,709	778,618	-	1,607,327
	(3,351,934)	**1,151,196**	**-**	**(2,200,737)**
Deferred tax asset				
Provision for doubtful customers	17,559,621	-	-	17,559,621
Provision for inventory obsolescence	1,967,940	578,629	-	2,546,569
Employee benefit obligations	4,143,882	(487,482)	-	3,656,399
Defined Benefit Plans	(1,895,443)	-	485,545	(1,409,898)
Depreciation	(8,379,193)	(8,184,025)	-	(16,563,218)
Provisions for legal cases	1,509,595	(373,430)	-	1,136,165
Government grants	3,904,686	(68,932)	-	3,835,754
Other provisions	13,491,744	2,528,578	-	16,020,322
Tax losses carried forward	3,522,038	(3,522,038)	-	-
	35,824,869	**(9,528,700)**	**485,545**	**26,781,715**
Net deferred tax asset in the statement of financial position	**32,472,935**	**(8,377,504)**	**485,545**	**24,580,976**

* Comparative amounts were restated for consistency.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP			
	31/12/2014	**Debit / (Credit) in profit and loss**	**Debit / (Credit) in equity**	**31/12/2015**
Deferred tax liability				
Untaxed reserves	(170,852)	(46,596)	-	(217,448)
Borrowing cost	(6,630)	1,289	-	(5,341)
Effect of foreign currency translation differences from valuation	(10,717)	(1,158)	-	(11,875)
Capitalization of borrowing costs	(3,065,256)	(353,683)	-	(3,418,939)
Revenue from EPA networks	(554,609)	(90,266)	-	(644,875)
Grants on tangible assets	1,607,327	1,329,285	-	2,936,612
	(2,200,737)	**838,871**	**-**	**(1,361,866)**
Deferred tax asset				
Provision for doubtful customers	17,559,621	4,312,235	-	21,871,856
Provision for inventory obsolescence	2,546,569	293,835	-	2,840,404
Employee benefit obligations	3,656,399	208,218	-	3,864,617
Defined Benefit Plans	(1,409,898)	-	(239,505)	(1,649,403)
Depreciation	(16,563,218)	(11,487,015)	-	(28,050,233)
Provisions for legal cases	1,136,165	(381,317)	-	754,848
Government grants	3,835,754	362,254	-	4,198,008
Other provisions	16,020,322	(10,140,470)	-	5,879,851
Foreign currency translation differences	-	85,854	-	85,854
Tax losses carried forward	-	23,849,886	-	23,849,886
	26,781,715	**7,103,480**	**(239,505)**	**33,645,688**
Net deferred tax asset in the statement of financial position	**24,580,976**	**7,942,351**	**(239,505)**	**32,283,824**

(All amounts are expressed in EUR unless otherwise stated)

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

(All amounts are expressed in EUR unless otherwise stated)

	COMPANY			
	31/12/2014	**Debit / (Credit) in profit and loss**	**Debit / (Credit) in equity**	**31/12/2015**
Deferred tax liability				
Untaxed reserves	(170,852)	(46,596)	-	(217,449)
Effect of foreign currency translation differences from valuation	(72)	72	-	-
Revenue from EPA networks	(554,609)	(90,266)	-	(644,875)
	(725,533)	**(136,791)**		**(862,324)**
Deferred tax asset				
Provision for doubtful customers	17,559,621	4,312,235	-	21,871,856
Provision for inventory obsolescence	433,422	50,010	-	483,432
Employee benefits obligations	693,237	76,155	-	769,392
Defined Benefit Plans	(350,681)	-	(58,386)	(409,067)
Depreciation	(6,074,853)	(4,501,636)	-	(10,576,489)
Provisions for legal cases	1,136,165	(381,317)	-	754,848
Government grants	3,835,753	362,254	-	4,198,007
Other provisions	10,796,846	(10,749,192)	-	47,656
Foreign currency translation differences	-	85,854	-	85,854
Tax losses carried forward	-	23,849,886	-	23,849,886
	28,029,510	**13,104,249**	**(58,386)**	**41,075,375**
Net deferred tax asset in the statement of financial position	**27,303,978**	**12,967,458**	**(58,386)**	**40,213,050**
Presentation in the statement of Financial Position				
Deferred tax asset	**27,303,978**			**40,213,050**

According to the tax law L.4334/2015, the tax rate year 2015 is 29% (2014: 26%). Taking into consideration the new tax rates and IAS 12, deferred tax was adjusted by the Company and the Group, recognizing the difference as income / (expense) from income tax in profit and loss and in other comprehensive income in the Statement of Comprehensive Income.

Deferred tax asset consists of temporary differences expected to be settled in more than one year. The amount relating to the recovery of tax losses expires in 2020 when five years have elapsed from its formation. Its recoverability is based on the Company's business plans, with and without DESFA, but also on the fact that the company does not have tax losses in the recent years.

18. Inventories

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Natural Gas	21,425,008	30,241,510	9,891,280	17,051,239
Construction and maintenance materials of the Natural Gas Pipeline	21,725,389	22,903,130	3,653,949	4,168,974
Total	**43,150,397**	**53,144,640**	**13,545,229**	**21,220,212**
Less: Provision for obsolescence	(9 794 497)	(9 794 497)	(1 667 008)	(1 667 008)
Total	**33,355,900**	**43,350,143**	**11,878,221**	**19,553,205**

In 2015, inventories included in cost of sales amount to EUR 802,796,285 (2014: EUR 812,411,282) for the Group and EUR 768,202,619.44 (2014: 969,332,804) for the Company.

19. Cash and cash equivalents

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash on hand	12,612	2,017,454	5,636	2,010,107
Sight deposits	9,532,752	7,045,313	4,371,121	5,039,019
Time deposits	340,915,513	294,178,082	280,483,417	231,923,473
Balance	**350,460,877**	**303,240,849**	**284,860,174**	**238,972,599**

The Group's time deposits at 31.12.2015 amount to EUR 340,915,513 (2014: EUR 294,178,082), part of which belongs to DEPA A.E. (EUR 280,483,417) and the remaining amount to DESFA A.E.. All of the Group's time deposits are in Euro, except for three time deposits of the Company denominated in USD of total value 30,768,307 (EUR 28,261,510). All of the Group's sight deposits are in Euro, except for three sight deposits of the Company denominated in USD of total value 1,877 (EUR 1,724). The above mentioned deposits are in Greek banks.

(All amounts are expressed in EUR unless otherwise stated)

20. Trade and other receivables

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade Receivables	200,786,395	240,946,118	183,516,788	226,003,971
Notes Receivable	9,750,000	11,700,000	9,750,000	11,700,000
Notes Receivable Overdue	9,950,000	8,000,000	9,950,000	8,000,000
Cheques Receivable	4,706,966	1,037,800	4,706,966	1,037,800
Cheques Receivable Overdue	1,236,106	1,230,346	1,236,106	1,230,346
Short-term receivables from subsidiaries	672,748	572,899	26,199,782	25,459,140
Short-term receivables from associates	6,368,104	9,605,170	6,368,104	9,605,170
Trade Receivables	**233,470,318**	**273,092,333**	**241,727,745**	**283,036,427**
Tax receivable from the Greek State	44,978,244	44,519,520	44,978,244	44,519,520
Various debtors	30,136,644	38,312,353	2,328,906	1,936,156
Advances	60,759	70,783	19,208	21,676
Pledged deposits	9,187,684	8,236,614	9,187,684	8,236,614
Prepaid expenses	1,020,470	816,217	446,519	232,596
Deferred income	154,478,965	133,007,689	152,836,535	135,467,815
Prepayments to suppliers	38,891,421	-	38,891,421	-
	278,754,187	**224,963,176**	**248,688,518**	**190,414,377**
Total	**512,224,505**	**498,055,509**	**490,416,263**	**473,450,804**
Less: Impairment	(89,613,892)	(76,791,455)	(89,613,892)	(76,791,455)
Balance	**422,610,613**	**421,264,055**	**400,802,371**	**396,659,348**

Tax receivable from the Greek State mainly includes withholding taxes on dividends received from Group companies. Various debtors include mainly receivable from DESFA (EUR 27.8 million which is analyzed in prepayments to suppliers EUR 9.2 million, pledged deposits EUR 6.3 million, receivable from Greek State EUR 10.3 million and other EUR 2 million).

The carrying value of trade and other receivables approximate their fair value at the date of the statement of financial position.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	2015	2014	2015	2014
Trade receivable (excl. related parties)	200,786,395	240,946,118	183,516,788	226,003,971
Notes receivable	9,750,000	11,700,000	9,750,000	11,700,000
Notes receivable overdue	9,950,000	8,000,000	9,950,000	8,000,000
Cheques receivable	4,706,966	1,037,800	4,706,966	1,037,800
Cheques receivable overdue	1,236,106	1,230,346	1,236,106	1,230,346
Total trade receivables	**226,429,466**	**262,914,264**	**209,159,860**	**247,972,117**

Analysis of trade receivables

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Performing	39,827,522	86,278,772	22,557,916	71,336,626
Past due – not impaired (up to 30 days)	45,596,210	32,101,919	45,596,210	32,101,919
Past due – not impaired (up to 60 days)	4,554,949	18,397,443	4,554,949	18,397,443
Past due – not impaired (up to 90 days)	7,513,742	4,997,536	7,513,742	4,997,536
Past due – not impaired (up to 180 days)	6,208,565	15,205,836	6,208,565	15,205,836
Past due – not impaired (over 180 days)	33,114,586	29,141,303	33,114,586	29,141,303
Impaired	89,613,892	76,791,455	89,613,892	76,791,455
Total trade receivables	**226,429,466**	**262,914,264**	**209,159,860**	**247,972,117**

Past due receivable are those for which the credit period of 20 days has elapsed. Receivables are considered to be impaired when there is objective evidence that the Company will not collect them and therefore there is a need to form a provision. Total impairment of such receivables amounts to EUR 89.6 million as at 31 December 2015.

During the year, the Group has formed additional impairment for trade receivables amounting to EUR 12,822,437 which refers to the Company. The movement of the impairment for trade receivables during the year was as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Balance at 1 January	**76,791,455**	**76,791,455**	**76,791,455**	**76,791,455**
Impairment loss recognized	12,822,437	-	12,822,437	-
Balance at 31 December	**89,613,892**	**76,791,455**	**89,613,892**	**76,791,455**

Impairment of trade and other receivables is performed:

a) By the Parent Company, for the total amount of trade receivables that are overdue for more than 6 months from the agreed payment date and the amount is considered to be doubtful.
b) By the subsidiary DESFA A.E., when there is objective evidence that outstanding debts will not be collected according to the agreed terms.
c) In order to secure its receivables, the Company has received letters of guarantee from customers amounting to EUR 120 million.

(All amounts are expressed in EUR unless otherwise stated)

21. Share capital

At 31 December 2015, the Company's paid share capital amounted to EUR 991,238,046 (2014: EUR 991,238,046) divided into 11,258,951 (2014:11,258,951) ordinary shares of nominal value of EUR 88.04 each.

According to the Shareholders Register of the Company, as at 31 December 2015, its shareholders were the following:

SHAREHOLDER	NO OF SHARES	PARTICIPATION PERCENTAGE AS AT 31/12/2015
GREEK STATE (H.R.A.D.F.)	7,318,318	65.00%
HELLENIC PETROLEUM A.E.	3,940,633	35.00%
TOTAL	**11,258,951**	**100.00%**

(All amounts are expressed in EUR unless otherwise stated)

22. Reserves

The reserves for the Group and Company are analyzed as follows:

GROUP

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Available for sale reserves	Total
Balance as at 1 January 2014	48,955,084	461,086	81,376,695	3,143,841	(3,383)	133,933,322
Reserves distribution	-	-	-	(1,683,899)	-	(1,683,899)
Transfer to reserves	4,857,000	-	-	-	8,397	4,865,397
Balance as at 31 December 2014	**53,812,084**	**461,086**	**81,376,695**	**1,459,942**	**5,014**	**137,114,820**
Balance as at 1 January 2015	53,812,084	461,086	81,376,695	1,459,942	5,014	137,114,820
Transfer to reserves	2,081,000	4,769,255	-	-	(5,014)	6,845,241
Balance as at 31 December 2015	**55,893,084**	**5,230,341**	**81,376,695**	**1,459,942**	**-**	**143,960,061**

COMPANY

	Statutory reserve	Other reserves	Special reserves	Untaxed reserves	Total
Balance as at 1 January 2014	32,257,584	12,228	81,376,695	3,187,961	116,834,468
Reserves distribution	-	-	-	(1,683,899)	(1,683,899)
Transfer to reserves	3,842,000	-	-	-	3,842,000
Balance as at 31 December 2014	**36,099,584**	**12,228**	**81,376,695**	**1,504,062**	**118,992,569**
Balance as at 1 January 2015	36,099,584	12,228	81,376,695	1,504,062	118,992,569
Transfer to reserves	1,188,000	4,769,255	-	-	5,957,255
Balance as at 31 December 2015	**37,287,584**	**4,781,483**	**81,376,695**	**1,504,062**	**124,949,823**

(All amounts are expressed in EUR unless otherwise stated)

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

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

23. Dividends and earnings per share

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

The Company for the year 2015 will not distribute dividend.

Earnings per share

The calculation of basic earnings per share is as follows:

	GROUP		COMPANY	
	1/1-31/12/2015	**1/1-31/12/2014**	**1/1-31/12/2015**	**1/1-31/12/2014**
Net earnings attributable to shareholders	33,153,929	82,709,838	14,156,090	76,832,693
Weighted average number of shares outstanding	11,258,951	11,258,951	11,258,951	11,258,951
Basic and diluted earnings per share (in euro per share)	**2.94**	**7.35**	**1.26**	**6.82**

24. Loans and Borrowings

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

Amounts in EURO	GROUP					
	31/12/2015		31/12/2014			
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 (2)	4,000,000	-	4,000,000	4,000,000	25/10/2016	4.57%
EUROPEAN INVESTMENT BANK (3)	4,000,000	-	4,000,000	4,000,000	25/10/2016	4.52%
EUROPEAN INVESTMENT BANK (4)	5,000,000	2,500,000	5,000,000	7,500,000	25/04/2017	4.52%
EUROPEAN INVESTMENT BANK (5)	7,000,000	14,000,000	7,000,000	21,000,000	15/05/2018	5.55%
EUROPEAN INVESTMENT BANK (6)	545,455	8,181,818	545,455	8,727,273	17/07/2031	4.48%
EUROPEAN INVESTMENT BANK (7)	1,083,333	5,416,667	1,083,333	6,500,000	17/07/2021	4.33%
EUROPEAN INVESTMENT BANK (8)	833,333	5,000,000	833,333	5,833,333	10/07/2022	4.89%
EUROPEAN INVESTMENT BANK (9)	454,545	7,272,727	454,545	7,727,273	10/07/2032	4.98%
EUROPEAN INVESTMENT BANK (10)	1,304,348	21,521,739	1,304,348	22,826,087	31/01/2033	4.62%
EUROPEAN INVESTMENT BANK (11)	1,400,000	25,900,000	1,400,000	27,300,000	31/05/2035	3.88%
EUROPEAN INVESTMENT BANK (12)	-	30,000,000	-	30,000,000	20/12/2032	3.26%
EUROPEAN INVESTMENT BANK (13)	-	25,000,000	-	25,000,000	21/10/2033	3.66%
EUROPEAN INVESTMENT BANK (14)	-	40,000,000	-	40,000,000	16/12/2029	1.92%
NATIONAL BANK	7,076,250	24,768,646	7,076,250	31,844,895	19/03/2020	4.98%
Total Liabilities	**32,697,264**	**209,561,597**	**32,697,264**	**242,258,862**		

All borrowings relate to DESFA S.A. The fair value of existing borrowings as at 31 December 2015 is analyzed as follows:

LOAN	FAIR VALUE OF LOAN 31/12/2015
LOAN € 40,000,000- EUROPEAN INVESTMENT BANK 2	4,010,920.00
LOAN € 40,000,000- EUROPEAN INVESTMENT BANK 3	4,006,969.70
LOAN € 50,000,000- EUROPEAN INVESTMENT BANK 4	7,516,670.73
LOAN € 70,000,000- EUROPEAN INVESTMENT BANK 5	21,557,334.24
LOAN € 12,000,000- EUROPEAN INVESTMENT BANK 6	8,934,533.53
LOAN € 13,000,000- EUROPEAN INVESTMENT BANK 7	6,509,336.13
LOAN € 10,000,000- EUROPEAN INVESTMENT BANK 8	8,446,095.11
LOAN € 10,000,000- EUROPEAN INVESTMENT BANK 9	5,996,928.69
LOAN € 30,000,000- EUROPEAN INVESTMENT BANK 10	23,401,968.70
LOAN € 85,000,000- NATIONAL BANK	32,494,242.55
LOAN € 35,000,000- EUROPEAN INVESTMENT BANK 11	25,330,014.61
LOAN € 30,000,000- EUROPEAN INVESTMENT BANK 12	25,024,226.36
LOAN € 25,000,000- EUROPEAN INVESTMENT BANK 13	22,273,283.43
LOAN € 40,000,000- EUROPEAN INVESTMENT BANK 14	27,833,801.93
	223,336,325.70

(All amounts are expressed in EUR unless otherwise stated)

The fair value was measured based on the discounted cash flows which at 31 December 2015 amounts to EUR 223.3 million.

The above mentioned loans include covenants concerning the fulfillment of financial obligations and information on the work in progress. These covenants have not been breached during 2015.

25.Employee Benefits

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

In 2015, the discount rate was set at 1.94% (2014: 1.50%) in order to reflect the rate of corporate bonds in the Eurozone. Specifically, for the year ended 31 December 2015, the discount rate used was the yield of the iBoxx AA-rated Euro corporate bond 10+.

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

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

Number of employees and payroll expenses:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Number of employees	**276**	**284**	**53**	**56**
Payroll expense analysis:				
Payroll cost	(13,978,332)	(14,412,272)	(3,948,404)	(4,056,237)
Retirement benefits expense	(785,113)	(501,152)	(74,827)	-
Social security contributions	(3,031,469)	(3,240,614)	(700,346)	(752,842)
Cost	**(17,794,914)**	**(18,154,038)**	**(4,723,577)**	**(4,809,079)**
Defined benefit obligation	(710,366)	(705,737)	13,221	48,816
Total cost	**(18,505,280)**	**(18,859,775)**	**(4,710,356)**	**(4,760,263)**

Furthermore, the Group receives services from seconded personnel.

(All amounts are expressed in EUR unless otherwise stated)

The movement in the net liability is as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Amounts recognized in the balance sheet				
Present value of liability	12,562,074	12,826,905	1,242,491	1,317,515
Net liability in the balance sheet	**12,562,074**	**12,826,905**	**1,242,491**	**1,317,515**
Amounts recognized in the income statement				
Service cost	569,336	486,002	21,961	15,906
Net interest on liability/(asset)	195,307	317,367	19,095	32,910
Total cost recognized in the income statement	**764,643**	**803,369**	**41,056**	**48,816**
Changes in present value of liability				
Present value of liability at the beginning of the year	12,826,905	10,657,209	1,317,515	1,071,568
Service cost	569,336	486,002	21,961	15,906
Interest cost	195,307	317,367	19,095	32,910
Benefits paid	(764,563)	(501,152)	(54,277)	-
Actuarial loss /(gain)-economic assumptions	(487,401)	1,799,422	(55,228)	206,552
Actuarial loss /(gain)- experience period	222,490	68,057	(6,575)	(9,421)
Present value of liability at the end of the year	**12,562,074**	**12,826,905**	**1,242,491**	**1,317,515**
Adjustments				
Adjustments in liabilities from changes in assumptions	487,401	(1,799,422)	55,228	(206,552)
Experience adjustments in liabilities	(222,490)	(68,057)	6,575	9,421
Total actuarial gain/(loss) in equity	**264,911**	**(1,867,479)**	**61,803**	**(197,131)**
Other adjustments in equity	-	-	-	-
Total amount recognized in equity	**264,911**	**(1,867,479)**	**61,803**	**(197,131)**
Changes in net liability recognized in the balance sheet				
Net liability at the beginning of the year	12,826,905	10,657,209	1,317,515	1,071,568
Benefits paid by the employer	(764,563)	(501,152)	(54,277)	-
Total expense recognized in income statement	764,643	803,369	41,056	48,816
Total amount recognized in equity	(264,911)	1,867,479	(61,803)	197,131
Net liability at the end of the year	**12,562,074**	**12,826,905**	**1,242,491**	**1,317,515**

The actuarial valuation method is the Projected Unit Credit method.

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

	COMPANY	
	31/12/2015	31/12/2014
Discount rate	1.94%	1.50%
Inflation rate	1.75%	1.75%
Annual average future salary increases	1.00%	1.00%
Duration of liabilities	9.93%	10.45%

Sensitivity Analysis Results:

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

On 31/12/2015:

If we had used a higher discount rate by 0.5%, then the present value of the liability would be lower by 4.7%.

If we had used a lower discount rate by 0.5%, then the present value of the liability would be higher 5.1%.

(All amounts are expressed in EUR unless otherwise stated)

26.Government grants

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

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

The movement in grants is analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Balance at the beginning of the year	304,048,887	305,584,878	33,568,645	34,892,443
Grants received during the year	12,359,304	12,555,906	-	-
Amortization of grants	(13,924,722)	(14,091,897)	(1,302,452)	(1,323,798)
Total	**302,483,469**	**304,048,887**	**32,266,193**	**33,568,645**

27.Provisions and other liabilities

Provisions for contingent risks and expenses of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Provision for legal cases	19,403,539	23,242,916	2,602,924	4,369,866
Provision for prior years commission to Greek State	17,800,000	17,769,685	-	-
Provision for interest on overdue liabilities	3,937,371	2,463,162	3,937,371	2,463,162
Provision for users compensations and supply security duties	7,261,060	1,886,479	-	-
Total	**48,401,970**	**45,362,242**	**6,540,295**	**6,833,028**

The reduction in provision for legal cases concerns utilization of prior year provision after award of the relevant amount to DESFA (EUR 2.0 million) and reversal of unused provision for DEPA of EUR 1.8 million.

(All amounts are expressed in EUR unless otherwise stated)

28.Other long-term liabilities

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Customers' guarantees	190,120	189,120	-	-
Suppliers' guarantees	10,451	1,250	10,451	1,250
Deferred income from rights of use of network	559,927,759	579,126,370	559,927,759	579,126,370
Total	**560,128,330**	**579,316,740**	**559,938,210**	**579,127,620**

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

29.Trade and other payables

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade payables	76,159,686	46,246,810	69,267,275	32,048,449
Cheques payables	84,273	283,114	-	-
Customer advances	22,722,568	8,012,397	6,695,756	4,211,835
Taxes payables	20,946,727	16,129,086	20,946,727	16,129,086
Social security contributions payable	443,230	469,241	97,268	101,285
Liabilities to subsidiaries and related parties	166,643	2,004,793	1,384,612	26,418,858
Dividends payable	-	1,160,790	-	1,160,790
Other creditors	4,359,517	1,559,869	940,883	417,774
Other accrued liabilities	172,837,237	115,954,632	188,169,149	115,987,999
Deferred income	39,398,431	38,049,340	39,398,431	38,049,340
Accrued expenses	6,098,144	6,258,717	12,249,252	2,104,329
Total	**343,216,456**	**236,128,788**	**339,149,352**	**236,629,745**

Other accrued liabilities include gas purchases for December 2015.

In 2003, DEPA and Turkish BOTAS signed an Agreement (in accordance with the provisions of the relevant intergovernmental agreement between Greece - Turkey), for the supply to Greece with natural gas from BOTAS, at a price based on the price BOTAS purchase natural gas from Azerbaijan plus a contractually defined parameter. In April 2008 and April 2011, BOTAS submitted a request to DEPA to revise the price of gas supplied following a related price revision request from its upstream supplier. In addition BOTAS raised the issue of a retrospective revision in order to determine a revised final selling price of gas to DEPA. DEPA disagreed with BOTAS over this issue. BOTAS filed an appeal against DEPA before the arbitral tribunal referred to in the contract. Simultaneously, DEPA, appealed before the same tribunal on deficient quantities delivered by BOTAS during recent years requesting compensation for each day that deficient deliveries were made.

The Court has issued to date, a series of interim decisions, which mainly focus on the revision of the above contractually defined incremental parameter. In July 2015, the Court, in a relevant interim decision, proposed a specific formula for calculating the increment parameter, which produces considerably high prices. DEPA did not accept this formula and took relevant action before the Court. On April 8, 2016 the final decision was issued by the Court and the Company recorded the relevant provision in the financial statements as of 31 December 2015.

30.Financial risk management

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

Greek Macros: Developments in Greece during the second half of 2015 (referendum and capital controls) had a negative effect on the Greek economy. The economy slipped back into recession after growing in late 2014 and during the first half of 2015. GDP declined by -0,2% in 2015 compared to an increase of +0,8% in 2014. Inflation is expected to remain low due to the pressures faced by the economy at the moment and unemployment is expected to gradually decline. Despite the deterioration of the Greek economy in 2015, the approval of a EUR 86 billion bailout program and the successful recapitalization of the four systemic banks during December 2015, were key steps towards the stabilization of the macroeconomic and financial environment in Greece. The bailout program was approved to be dispensed in allotments following the adoption of a series of agreed upon changes and austerity measures. Allotment of bailout funds commenced in tranches during 2015, however in order for Greece to secure the next tranche, the first review of the bailout program has to be completed. This is expected upon implementation of specific measures agreed as part of the agreement. The Implementation of the program and its effects on the economy are beyond the Group's control but management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's operations.

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

I. Market risk

- ***Interest Rate risk:*** As of 31 December 2015 all of current and non-current loans have been obtained at fixed interest rates and therefore, the Group is not exposed to risks associated with changes in interest rates. Management continuously monitors the fluctuations of the interest rates and the financing needs of the Group and evaluates on a case by case basis the duration of the loans and the relation between fixed and floating rate.
- ***Exchange Rate risk:*** The Group is exposed to foreign currency risk due to changes in the US dollar exchange rate with respect to the supply of natural gas which is carried out based on contracts with foreign suppliers, mainly expressed in U.S. dollars. As of 31 December 2015, if the exchange rate of euro had appreciated against the U.S. dollar by 10% and all other variables remained unchanged, the before tax results of the current fiscal year of the parent company and the Group would increase by EUR 6,481 thousands and respectively the after tax results of the Group would increase by EUR 4,602 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. dollars. Moreover, if the exchange rate of euro had depreciated against the

U.S. dollar by 10%, and all other variables remained unchanged, the results before tax of the parent company and the Group would be lower by EUR 7,921 thousands and respectively the after tax results of the Group for the year would be lower by EUR 5,624 thousands, mostly due to the valuation of purchases and obligations to suppliers that are mainly expressed in U.S. Dollars.

- ***Price risk:*** The Group is subject to risk from changes in the prices of other competitive products as the cost of natural gas is affected by fluctuations in oil prices and natural gas selling prices are partially regulated compared to competitive fuel. The pricing policy of the Group is 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 from the Group's wholesale and retail customers.

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

The Group is subject to sales concentration, since 29.47% of its total sales are to the Public Power Corporation SA, 11.77% to Alouminion A.E. and 10.54% to EPA Attiki A.E.

The Company's management continually monitors the financial position of its customers as well as the extent and limits of the offered credits. At year-end, management considered that the credit risk is covered by collateral and provisions, which were deemed necessary at the time, in conjunction with the undertaken actions by the Company to obtain guarantees and repayment schedules from overdue 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 these receivables as shown in the Statement of Financial Position reduced by the value of guarantees and collaterals (Note 32).

III. Liquidity risk

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

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

GROUP

31/12/2015	**Up to 1 year**	**Between 1 and to 2 years**	**Between 2 and to 5 years**	**Over 5 years**
Loans	32,697,264	24,079,348	59,156,604	126,325,645
Trade and other payables	343,216,456	-	-	-

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

(All amounts are expressed in EUR unless otherwise stated)

COMPANY

31/12/2015	Up to 1 year	Between 1 and to 2 years	Between 2 and to 5 years	Over 5 years
Trade and other payables	339,149,352	-	-	-

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

IV. Capital Risk Management

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

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

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Total Liabilities	1,520,546,781	1,462,674,765	939,136,542	859,344,805
Less: Cash and cash equivalents (Note 19)	(350,460,877)	(303,240,849)	(284,860,174)	(238,972,599)
Net Debt	**1,170,085,904**	**1,159,433,916**	**654,276,367**	**620,372,206**
Total Equity	**1,674,547,801**	**1,691,621,606**	**1,437,447,492**	**1,473,390,316**
Net Debt/Total Equity	70%	69%	46%	42%

(All amounts are expressed in EUR unless otherwise stated)

31.Related party transactions and balances

The Company considers as related parties the members of the Board of Directors (including their related parties) as well as shareholders holding a percentage greater than 5% of its share capital. The related party transactions and balances with the jointly controlled entities are stated at 100%. The Company's and the Group's related party transactions and balances during the fiscal years 1/1-31/12/2014 and 1/1-31/12/2015, respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-31/12/2014		1/1-31/12/2014		1/1-31/12/2014		1/1-31/12/2014	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	248,987,680	1,171,804	38,559,179	2,017,597	324,479,252	190,518,487	65,368,266	27,450,263
Transactions with unconsolidated entities	391,194,860	111,452	85,008,279	37,056	391,194,860	111,452	85,008,279	37,056

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-31/12/2015		1/1-31/12/2015		1/1-31/12/2015		1/1-31/12/2015	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	249,262,715	685,744	29,936,472	1,838,304	281,173,284	133,269,591	55,946,409	17,777,233
Transactions with unconsolidated entities	353,203,440	76,300	122,863,782	49,595	353,203,440	76,300	122,863,782	49,595

(All amounts are expressed in EUR unless otherwise stated)

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

	31/12/2015	31/12/2014
Fees to the president and BoD members of the Company	318,729	285,147
Fees to the president, BoD members and audit committee members of the consolidated subsidiaries	355,239	355,530
Fees to the president and member of the BoD of the Group	**673,968**	**640,677**

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

32.Commitments and Contingent Liabilities

32.1. Contingent liabilities from legal cases or arbitration

For DESFA AE:

a) Outstanding lawsuits against DESFA AE amount to EUR 51,142 thousand, and are analyzed as follows:

aa) amount of EUR 8,913 thousand relates to construction contractors' lawsuits. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible assets and therefore no amount is provided for. bb) amount of EUR 42,229 thousand relates to other lawsuits against the company for which the company estimates that it will not pay more than EUR 16,801 thousand.

b) There are outstanding liabilities from Greek government guarantees of EUR 17,800 thousand for which the company has booked an equal provision.

c) There are pending lawsuits against the company concerning compensation for expropriation of properties amounting to EUR 8,657 thousand and are directly related to the construction and expansion of the pipeline network and other tangible assets. According to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible and intangible assets and therefore no amount is provided for.

d) The company has booked a provision for users' compensations and supply security duties of EUR 7,261 thousand.

e) There are claims of the company against third parties of EUR 37,261 thousand.

(All amounts are expressed in EUR unless otherwise stated)

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Contingent liabilities				
Construction contracts in progress	137,741,721	139,281,849	12,286,655	12,081,893
Letters of guarantee to suppliers and third parties	35,005,301	58,900,710	34,489,058	58,295,611
Total contingent liabilities	**172,747,022**	**198,182,559**	**46,775,713**	**70,377,504**
Contingent assets				
Letters of guarantee from customers	145,924,911	191,091,633	120,419,496	137,863,538
Letters of guarantee from suppliers	101,395,520	79,425,589	888,008	1,310,236
Letters of guarantee from contractors	8,423,776	9,714,416	8,423,776	9,714,416
Total contingent assets	**255,744,207**	**280,231,638**	**129,731,280**	**148,888,190**

32.2 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) **Natural Gas purchase agreements:**

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

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

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

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

(All amounts are expressed in EUR unless otherwise stated)

c) **Commitments and operating leases**

On 31 December 2015 the Group had contracts for operating leases for buildings and motor vehicles.

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

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
Up to 1 year	1,354,583	1,991,129	579,583	641,129
1 to 5 years	1,128,201	410,527	573,201	101,527
Over 5 years	14,071	24,417	14,071	24,417
Total	**2,496,856**	**2,426,073**	**1,166,856**	**767,073**

Leases recognized in the statement of comprehensive income for the year amount to EUR 2,749,181 (2014: EUR 2,335,382) for the Group and EUR 695,925 (2014: EUR 694,333) for the Company.

32.3 Other contingent liabilities

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

COMPANY	COUNTRY	OPEN TAX YEARS
DEPA A.E.	GREECE	2015
DESFA A.E. (formed on 30/03/2007, according to the provisions of L. 2166/1993)	GREECE	2015
EPA ATTIKI A.E	GREECE	2009-2010 & 2015
EPA THESSALONIKI A.E.	GREECE	2015
EPA THESSALIA A.E.	GREECE	2015
Y.A.F.A. POSEIDON A.E.	GREECE	2010 & 2015
SOUTH STREAM A.E.	GREECE	2015
IGB AD	BULGARIA	2011-2015

The tax audit for 2015 is in progress from the statutory auditors for all the Companies of the Group, according to article 65A of Law 4174/2013 and no material charges are expected for the Company and the Group.

According to the provisions of Article 82 paragraph 5 of L.2238/94 the Company and Group for the open tax years 2011 to 2014 have received a tax certificate with unqualified opinion by the auditors.

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

On June 2015, the audit by the tax authorities of EPA Thessaloniki AE for the open tax years 2007-2010 and year 2011 was completed. Based on the tax audit findings additional taxes of EUR 204,546.10 were charged in profit and loss of the current year.

On June 2015, the audit by the tax authorities of EPA Thessalia AE for the open tax years 2007-2010 was completed. Based on the tax audit findings additional taxes of EUR 95,132.58 were charged in profit and loss of the current year.

32.3.2 Take or pay

Gas sales of DEPA in 2014 were low, leading to reduced purchases from the upstream Russian supplier compared to the contractual minimum quantity of gas for the year. In view of this, DEPA asked its upstream supplier to adjust the related liability. Negotiation with the upstream supplier resulted in liability twice below the original amount. This amount (USD 36 million) is an advance against future gas purchases until the expiration of the gas supply contract (2026). For 2015 there was no take or pay, as the demand for gas from electricity producers increased due to low gas prices.

32.4 Liens

The parent company in order to secure receivables from customers has filed liens on their property, of total amount EUR 75 million.

33.Fair value disclosures

Financial assets and liabilities are measured at amortized cost. There is no obligation to disclose the levels 1, 2, 3 as the fair value of these assets and liabilities carried at amortized cost is not materially different from their respective book value. There are no transfers between levels as at 31 December 2015.

34. Other significant disclosures

- **Sale of DESFA**

On August 1, 2013 the Board of Directors of HRADF (holder of 65% of DEPA) and on August 2, 2013 the Board of Directors of Hellenic Petroleum (holder of 35% of DEPA SA) approved the sale of 66% of DESFA (or 31 % by the State and 35% by HELPE) to the Azerian company Socar which submitted an offer of EURO 400 million. The Board of Hellenic Petroleum A.E. recommended the approval of the transaction to the Extraordinary General Assembly of its shareholders, which convened to decide, on September 2, 2013.

The share purchase agreement for the sale of 66% of the share capital of DESFA was signed by HRADF, Hellenic Petroleum A.E. and SOCAR on December 21, 2013. The finalization of the transaction depends on certain events, such as the approval of the transaction by the EU or national competition authorities (as applicable) and DESFA's certification by the Regulatory Authority for Energy of the Greek Republic ("RAE"), in accordance with Article 65 of Law 4001/2011 ("Energy Act"). It should be noted that, as there is no precedent regarding the Certification of an Operator of the gas transportation system that is owned/controlled by a company outside the European Union, the process is not predetermined.

Consequently, parameters and criteria for the evaluation conducted by the authorities or the extent of the obligations, which may be requested by the European Commission to be undertaken by SOCAR, cannot be predicted or controlled by the contracting parties. On September 29, 2014, RAE issued the certification to DESFA and on October 1, 2014 the European Directorate-General for Competition was notified. On November 5, 2014, the European Commission started an in-depth investigation. The extent of the obligations that SOCAR may be required to undertake and the exact time it will take the European Commission to issue a decision cannot be determined by the contracting parties. On July 27, 2015 HRADF, HELPE and SOCAR made use of appendix 2 of the Share Purchase Agreement (SPA), whereby the SPA expiration date extended until December 21, 2015 and on December 16, 2015 the SPA was further extended up to 30 September 2016. Following this agreement, the validity of the good performance guarantee by SOCAR extended accordingly.

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

DESFA is fully consolidated by the Group. The assets of DESFA were evaluated as at 31 December 2015 in accordance with the guidance in IAS 36 and no impairment indications were identified.

Since the sale is subject to the approval of the competent bodies, and the time of the approval is not yet known, the management of the Group maintained the policy according to which the investment on DESFA is not classified as held for sale as at 31 December 2015. When the transaction is finalized, the Group's equity will be reduced by approximately EUR 220 million.

- **Changes in the domestic natural gas market**

During 2015, there were discussions between the competent bodies concerning the reformation of the structure and operation of the domestic retail market of natural gas through full liberalization of the market with the ultimate aim of reducing gas distribution prices to final consumers. According to L.4336 / 2015 which came into force in August 2015, EPA Attiki, Thessalia and Thessaloniki and DEPA are required to proceed to the legal and operational separation of the Network Distribution Management activity from other activities through contribution of their distribution sector during the establishment of a new Gas Distribution Company (EDA) up to January 1, 2017.

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

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

Auditor's 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 2015 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 2015 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

Athens, 30 May 2016

KPMG Certified Auditors A.E.

AM SOEL 114

Harry Sirounis, Certified Auditor Accountant

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