



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

**Interim Condensed Financial Statements for the period from 1 January 2015 to  
30 June 2015 in accordance with International Accounting Standard 34  
as adopted by the European Union**

(TRANSLATED FROM THE GREEK ORIGINAL)

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**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Condensed Interim Financial Statements as at 30 June 2015**  
**(All amounts are expressed in EUR unless otherwise stated)**

**STATEMENT OF COMPREHENSIVE INCOME**

	GROUP		COMPANY	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Revenue	443,316,498	571,944,436	448,316,684	607,392,673
Cost of Sales	(409,347,375)	(518,126,822)	(426,287,005)	(566,562,865)
<b>Gross profit</b>	<b>33,969,122</b>	<b>53,817,614</b>	<b>22,029,678</b>	<b>40,829,808</b>
Administrative expenses	(13,303,092)	(15,719,401)	(7,388,393)	(8,200,720)
Distribution expenses	(4,758,379)	(4,851,542)	(4,562,153)	(4,704,628)
Other income/(expenses)	1,218,311	119,339	(5,024,835)	821,568
Amortization of grants	7,155,430	7,026,666	661,899	648,199
Share of profit/(loss) from equity-accounted investees	20,290,798	12,448,127	-	-
Dividends	-	-	24,448,954	31,813,102
Foreign currency translation differences (losses)	(5,750,329)	(1,234,722)	(5,766,224)	(1,231,632)
<b>Operating Profit</b>	<b>38,821,863</b>	<b>51,606,081</b>	<b>24,398,927</b>	<b>59,975,697</b>
Finance costs	(9,503,213)	(5,246,210)	(1,339,971)	(3,717,313)
Finance income	10,574,887	16,033,320	9,677,399	15,997,102
<b>Profit before income tax</b>	<b>39,893,536</b>	<b>62,393,191</b>	<b>32,736,355</b>	<b>72,255,486</b>
Income tax	4 (4,153,776)	(9,901,334)	(568,287)	(5,909,566)
<b>Profit for the period</b>	<b>35,739,760</b>	<b>52,491,858</b>	<b>32,168,068</b>	<b>66,345,920</b>
<b>Other Comprehensive Income</b>				
<b>Amounts classified in the Statement of Comprehensive Income</b>				
Valuation of AFS portfolio	(2,501)	(11,422)	-	-
Income tax relating to the valuation of AFS portfolio	(650)	(2,970)	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,851)</b>	<b>(8,452)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>35,737,909</b>	<b>52,500,309</b>	<b>32,168,068</b>	<b>66,345,920</b>

The notes on pages 9 to 19 are an integral part of these condensed interim financial statements.

**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Condensed Interim Financial Statements as at 30 June 2015**  
**(All amounts are expressed in EUR unless otherwise stated)**

**INTERIM STATEMENT OF FINANCIAL POSITION**

	Σημείωση	GROUP	
		30/06/2015	31/12/2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,003,729,548	2,016,134,679
Intangible assets	5	18,946,817	19,798,065
Investment in joint ventures		301,686,851	314,232,120
Investment in associates		11,560,223	8,508,465
Other long-term receivables		431,127	430,718
Deferred tax assets		26,768,991	27,337,278
<b>Total non-current assets</b>		<b>2,363,123,557</b>	<b>2,386,441,324</b>
<b>Current assets</b>			
Inventories		38,967,321	43,350,143
Trade and other receivables	6	329,199,196	421,264,055
Cash and cash equivalents	7	318,684,182	303,240,849
<b>Total current assets</b>		<b>686,850,699</b>	<b>767,855,047</b>
<b>TOTAL ASSETS</b>		<b>3,049,974,256</b>	<b>3,154,296,371</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		991,238,046	991,238,046
Reserves		141,882,224	137,114,820
Retained Earnings		544,136,914	563,268,740
<b>Total Equity</b>		<b>1,677,257,184</b>	<b>1,691,621,606</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	9	225,868,563	242,258,862
Provisions and other liabilities	10	47,010,677	45,362,242
Government grants		296,893,456	304,048,887
Employee benefits		13,419,104	12,826,905
Other long-term liabilities		568,649,109	579,316,740
Deferred tax liability		4,788,320	2,756,302
<b>Total non-current liabilities</b>		<b>1,156,629,229</b>	<b>1,186,569,938</b>
<b>Current liabilities</b>			
Trade and other payables	11	180,023,433	236,128,788
Loans and borrowings	9	32,697,264	32,697,264
Short-term tax liabilities		3,367,146	7,278,775
<b>Total current liabilities</b>		<b>216,087,843</b>	<b>276,104,827</b>
<b>Total liabilities</b>		<b>1,372,717,072</b>	<b>1,462,674,765</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,049,974,256</b>	<b>3,154,296,371</b>

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**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Condensed Interim Financial Statements as at 30 June 2015**  
**(All amounts are expressed in EUR unless otherwise stated)**

**INTERIM STATEMENT OF FINANCIAL POSITION**

	Σημείωση	COMPANY	
		30/06/2015	31/12/2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	725,378,484	727,216,675
Intangible assets	5	2,940,071	3,044,289
Investment in subsidiaries and joint ventures		891,303,979	906,617,851
Investment in associates		16,575,000	13,200,000
Other long-term receivables		166,269	167,176
Deferred tax assets		26,735,692	27,303,978
<b>Total non-current assets</b>		<b>1,663,099,495</b>	<b>1,677,549,969</b>
<b>Current assets</b>			
Inventories		15,416,275	19,553,205
Trade and other receivables	6	293,553,786	396,659,348
Cash and cash equivalents	7	268,354,226	238,972,599
<b>Total current assets</b>		<b>577,324,287</b>	<b>655,185,152</b>
<b>TOTAL ASSETS</b>		<b>2,240,423,782</b>	<b>2,332,735,121</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		991,238,046	991,238,046
Reserves		123,761,823	118,992,569
Retained earnings		340,456,183	363,159,701
<b>Total Equity</b>		<b>1,455,456,052</b>	<b>1,473,390,316</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions and other liabilities	9	7,606,396	6,833,028
Government grants	10	32,906,746	33,568,645
Employee benefits		1,338,043	1,317,515
Other long-term liabilities		568,458,988	579,127,620
<b>Total non-current liabilities</b>		<b>610,310,173</b>	<b>620,846,808</b>
<b>Current liabilities</b>			
Trade and other payables	11	174,657,557	236,629,745
Short-term tax liabilities		-	1,868,252
<b>Total current liabilities</b>		<b>174,657,557</b>	<b>238,497,997</b>
<b>Total liabilities</b>		<b>784,967,730</b>	<b>859,344,805</b>
<b>Total equity and liabilities</b>		<b>2,240,423,782</b>	<b>2,332,735,121</b>

The notes on pages 9 to 19 are an integral part of these condensed interim financial statements.

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

**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Condensed Interim Financial Statements as at 30 June 2015**  
**(All amounts are expressed in EUR unless otherwise stated)**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Statutory Reserve	Other Reserves	Special Reserves	Available for sale securities reserve	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 for the period 1/1-30/06/2014 after tax	-	-	-	-	-	-	52,491,858	52,491,858
Other comprehensive income	-	-	-	-	8,452	-	-	8,452
Total comprehensive income for the period	-	-	-	-	8,452	-	52,491,858	52,500,310
<b>Transactions with owners of the Company, recognized directly in equity:</b>								
Dividends for 2013	-	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with the owners of the Company	-	-	-	-	-	-	(108,536,288)	(108,536,288)
<b>Balance at 30 June 2014</b>	<b>991,238,046</b>	<b>48,955,084</b>	<b>461,086</b>	<b>81,376,695</b>	<b>5,069</b>	<b>3,143,841</b>	<b>539,867,496</b>	<b>1,665,047,316</b>
Balance at 1 January 2015	991,238,046	53,812,084	461,085	81,376,695	5,014	1,459,942	563,268,740	1,691,621,606
Profit for the period 1/1-30/06/2015 after tax	-	-	-	-	-	-	35,739,760	35,739,760
Other comprehensive income	-	-	-	-	(1,851)	-	-	(1,851)
Total comprehensive income for the period	-	-	-	-	(1,851)	-	35,739,760	35,737,909
<b>Transactions with owners of the Company, recognized directly in equity :</b>								
Transfer to reserves	-	-	4,769,254	-	-	-	(4,769,254)	-
Dividends for 2014	-	-	-	-	-	-	(50,102,332)	(50,102,332)
Total transactions with the owners of the Company	-	-	4,769,254	-	-	-	(54,871,586)	(50,102,332)
<b>Balance at 30 June 2015</b>	<b>991,238,046</b>	<b>53,812,084</b>	<b>5,230,339</b>	<b>81,376,695</b>	<b>3,163</b>	<b>1,459,942</b>	<b>544,136,914</b>	<b>1,677,257,184</b>

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**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Condensed Interim Financial Statements as at 30 June 2015**  
**(All amounts are expressed in EUR unless otherwise stated)**

**COMPANY'S INTERIM 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	399,372,004	1,507,444,518
Profit for the period 1/1-30/06/2014 after tax	-	-	-	-	-	66,345,920	66,345,920
Total comprehensive income for the period	-	-	-	-	-	66,345,920	66,345,920
<b>Transactions with owners of the Company, recognized directly in equity:</b>							
Dividends for 2013	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with the owners of the Company	-	-	-	-	-	(108,536,288)	(108,536,288)
<b>Balance at 30 June 2014</b>	<b>991,238,046</b>	<b>32,257,584</b>	<b>12,228</b>	<b>81,376,695</b>	<b>3,187,961</b>	<b>357,181,635</b>	<b>1,465,254,149</b>
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 for the period 1/1-30/06/2015 after tax	-	-	-	-	-	32,168,068	32,168,068
Total comprehensive income for the period	-	-	-	-	-	32,168,068	32,168,068
<b>Transactions with owners of the Company, recognized directly in equity :</b>							
Transfer to reserves	-	-	4,769,254	-	-	(4,769,254)	-
Dividends for 2014	-	-	-	-	-	(50,102,332)	(50,102,332)
Total transactions with the owners of the Company	-	-	4,769,254	-	-	(54,871,586)	(50,102,332)
<b>Balance at 30 June 2015</b>	<b>991,238,046</b>	<b>36,099,584</b>	<b>4,781,482</b>	<b>81,376,695</b>	<b>1,504,062</b>	<b>340,456,183</b>	<b>1,455,456,052</b>

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**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
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**(All amounts are expressed in EUR unless otherwise stated)**

**STATEMENT OF CASH FLOWS**

	GROUP		COMPANY	
	1/1-30/06/2015	1/1-30/06/2014	1/1-30/06/2015	1/1-30/06/2014
<b>Cash Flows from operating activities:</b>				
Profit before income tax	39,893,536	62,393,191	32,736,355	72,255,486
<b>Adjustments for:</b>				
Depreciation	39,928,922	38,728,831	11,945,930	11,471,656
Provisions	6,728,155	2,432,642	5,281,418	2,055,365
(Profit)/ losses on jointly controlled companies	(20,614,041)	(12,754,107)	-	-
(Profit)/ losses from associates	323,242	305,980	-	-
Write offs from sale of property, plant and equipment	1,374,691	-	796,066	-
Income from dividends	-	-	(24,448,954)	(31,813,102)
(Profit)/ Losses on sale of property, plant and equipment	271	-	-	-
Amortization of grants	(7,155,430)	(7,026,666)	(661,899)	(648,199)
Foreign currency differences	32,586	(26,035)	29,514	(29,125)
Net finance costs	(1,845,059)	(10,787,110)	(9,110,796)	(12,279,789)
Amortization of rights of use	(19,495,813)	(18,890,695)	(19,495,813)	(18,890,695)
	<u>39,171,061</u>	<u>54,376,032</u>	<u>(2,928,179)</u>	<u>22,121,596</u>
Adjustments for changes in working capital or changes related to operating activities:				
Decrease / (increase) in inventories	4,382,823	21,944,956	4,136,930	13,566,060
Decrease / (increase) in receivables	125,578,730	110,175,192	121,362,347	127,877,568
Decrease / (increase) in long-term receivables	(409)	24,036,621	906	16,796,865
Decrease / (increase) in liabilities (excluding banks)	(65,351,759)	(15,352,425)	(71,076,770)	(62,291,507)
Cash flows from operating activities	<u>103,780,445</u>	<u>195,180,376</u>	<u>51,495,234</u>	<u>118,070,582</u>
Interest and other related expenses paid	(8,729,846)	(5,984,257)	(566,603)	(644,279)
Taxes paid	(2,933,067)	(6,657,743)	-	-
<b>Net cash from operating activities (a)</b>	<b><u>92,117,532</u></b>	<b><u>182,538,376</u></b>	<b><u>50,928,631</u></b>	<b><u>117,426,303</u></b>
<b>Cash flows from investing activities:</b>				
Acquisition of property, plant, equipment and intangible assets	-	-	(2,062,500)	-
Proceeds from disposal of property, plant and equipment and intangible assets	(18,278,051)	(39,988,973)	(1,030,120)	(9,579,183)
Dividends received	-	-	24,448,954	31,813,102
Interest received	9,257,272	16,543,285	8,359,784	12,716,318
Proceeds from grants for investments in fixed assets	-	48,118	-	-
Proceeds from share capital decrease	-	7,651,834	-	7,651,834
<b>Net cash from investing activities (b)</b>	<b><u>(9,020,779)</u></b>	<b><u>(15,745,736)</u></b>	<b><u>29,716,118</u></b>	<b><u>42,602,071</u></b>
<b>Cash flows from financing activities:</b>				
Repayment of borrowings	(16,390,298)	(16,390,299)	-	-
Dividends paid	(51,263,122)	(108,536,288)	(51,263,122)	(108,536,288)
<b>Net cash from financing activities (c)</b>	<b><u>(67,653,420)</u></b>	<b><u>(124,926,587)</u></b>	<b><u>(51,263,122)</u></b>	<b><u>(108,536,288)</u></b>
<b>Net increase/ (decrease) in cash and cash equivalents of the year (a)+(b)+(c)</b>	<b>15,443,333</b>	<b>41,866,053</b>	<b>29,381,627</b>	<b>51,492,086</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>303,240,849</b>	<b>154,002,901</b>	<b>238,972,599</b>	<b>99,497,481</b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>318,684,182</u></b>	<b><u>195,868,954</u></b>	<b><u>268,354,226</u></b>	<b><u>150,989,567</u></b>

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**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Notes to the Condensed Interim Financial Statements**  
**as at 30 June 2015**  
*(All amounts are expressed in EUR unless otherwise stated)*

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## **1. Description of the Group**

The Public Gas Corporation and its subsidiaries, associates and joint ventures (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 as “DEPA” or “Company”) was established in Greece in 1988 as a state-owned Societe Anonyme for the purpose of opening up natural gas into the Greek energy market. The Company’s office is at Iraklio Attikis, 92 Marinou Antipa Str., Athens, Greece.

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 Natural Gas Transmission System (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 A.E.

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

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

Based on the above, the assets and liabilities that relate to the “High Pressure” Transmission System, were transferred as of 30 June 2006 (date of spinoff) 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, in article 21 of the same law it was clarified that before the incorporation of DESFA A.E., the existing Gas Distribution Companies “EDA Thessaloniki” and “EDA Thessalia” would be absorbed by “EDA Attiki”. The merger was completed under the Ministerial Decree K2 18211/29.12.06, issued by the Greek Ministry of Development and the decision of Athens Prefect No 39478/29.12.06. The operations of the new subsidiary “EDA A.E.”, following the mergers, covered the geographical area which was previously covered by the operations of the merged entities. By amending article 1 of the Company’s Articles of Association, the legal entity named EDA Attiki S.A was changed to “EDA A.E.”.

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

DEPA is an associate of Hellenic Petroleum S.A and is consolidated in the Financial Statements of Hellenic Petroleum SA with the equity method.

**PUBLIC GAS CORPORATION OF GREECE (DEPA A.E.)**  
**Notes to the Condensed Interim Financial Statements**  
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*(All amounts are expressed in EUR unless otherwise stated)*

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**Approval of Financial Statements**

These condensed consolidated interim financial statements ("Condensed Financial Statements") were authorized for issue by the Company's Board of Directors on 10 September 2015.

**2. Basis of Preparation and summary of Significant Accounting Policies**

**Statement of compliance**

These condensed interim financial statements for the six-month period ended 30 June 2015 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for annual financial statements and should be read in conjunction with the financial statements of the Group and the Company as at and for the year ended 31 December 2014.

**Significant accounting policies**

The financial statements have been prepared on a historical cost basis (except for specific financial assets measured at fair value) and on a going concern basis. The financial statements are presented in Euro, unless otherwise stated.

The accounting policies applied for the preparation of the condensed interim financial statements are the same with those applied in the published financial statements of the Group for the year ended 31 December 2014. A number of standards, amendments and interpretations have been issued that are required to be applied by an entity with an annual reporting period beginning on or after 1 January 2015 but it is not expected to have a material impact on the Group financial statements.

**Judgments and estimates**

The preparation of interim financial statements in accordance with IFRS as adopted by the European Union requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments and estimates made by management in applying Group's accounting policies were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

**Financial Risk Management**

Group's financial risk management policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2014 with the exception of the risk related to the macroeconomic and business environment in Greece.

On 28 June 2015 failure to reach agreement between the Hellenic Republic and international institutional authorities resulted in the implementation of capital controls in the banking sector.

An agreement was reached on 12 July 2015 for a 3-year support package, which aims at ensuring fiscal and banking sector stability and promoting growth through a €86 billion bailout program. On 14 August 2015, the agreement was backed by the Greek parliament, while the European Institutions approved the release of a first tranche of €26 billion in order to meet Greece's debts and help recapitalize its banks.

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The program aims to reduce the risk of economic instability in Greece; however there is still risk around implementation of the program, ability to meet fiscal targets, as well as structural reforms. The implementation of the program and its effects on the economy are beyond the Group's control.

Various risks emerge under this financial environment concerning liquidity of the financial sector and businesses that could negatively impact the results and financial position of the Group.

The Group has been closely monitoring developments in Greece in order to minimize any negative impact and to maintain proper business operation of the Group, while regularly repays obligation towards Greek and foreign suppliers. Furthermore, it maintains sufficient liquidity (see note 7 Cash and Cash Equivalents) to address the current situation.

### 3. Seasonality of operations

Consumption of natural gas from domestic customers for heating purposes is subject to fluctuations due to seasonality, with increased demand at the first and fourth quarter of the year. This is mainly attributable to the seasonal weather conditions with no need to adjust the accounting policies due to seasonality.

### 4. Income Tax

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

	GROUP		COMPANY	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Current tax	(1,553,471)	(4,819,011)	-	(3,341,135)
Deferred tax	(2,600,305)	(5,082,323)	(568,287)	(2,568,431)
<b>Total taxes recognized in the Statement of Comprehensive Income</b>	<b>(4,153,776)</b>	<b>(9,901,334)</b>	<b>(568,287)</b>	<b>(5,909,566)</b>

The effective tax rate for the first half of 2015 is about 10% and 2% for the Group and the Company. The corresponding figures for the first half of 2014 were approximately 16% and 8% respectively. The difference in the percentage of the effective tax rate is mainly due to the tax losses of the Company in the first semester of 2015 that accordingly affect the Group. The corporate income tax rate of the Group is 26% for the period ending 30 June 2015. On 16 July 2015, Law 4334/2015 was passed increasing the corporate income tax rate to 29% (see note 16).

### 5. Fixed Assets and Intangible Assets

Purchases and depreciation/amortization of tangible and intangible assets of the Group for the six months period of 2015 was EUR 18,278,051 (2014: EUR 39,988,973) and EUR 39,928,922 (2014: EUR 38,728,831) respectively. Purchases and depreciation/amortization of tangible and intangible assets of the Company was EUR 1,030,120 (2014: EUR 9,579,183) and EUR 11,945,930 (2014: EUR 11,471,656) respectively. Tangible and intangible assets in the Statement of Financial Position of the Company, except from the above tangible and intangible assets, include networks constructed by EPA.

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## 6. Trade and other receivables

Trade and other receivables are analyzed as follows:

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Trade Debtors	244,946,725	273,092,333	240,779,260	283,036,427
Less : Provisions	<u>(76,791,455)</u>	<u>(76,791,455)</u>	<u>(76,791,455)</u>	<u>(76,791,455)</u>
<b>Total</b>	<b>168,155,270</b>	<b>196,300,878</b>	<b>163,987,805</b>	<b>206,244,971</b>
Other Receivables	<u>161,043,926</u>	<u>224,963,176</u>	<u>129,565,981</u>	<u>190,414,377</u>
<b>Total</b>	<b>329,199,196</b>	<b>421,264,055</b>	<b>293,553,786</b>	<b>396,659,348</b>

It should be noted that Trade Debtors also include the short term receivables from related parties (see note 12).

## 7. Cash and Cash Equivalents

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

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Cash on hand	17,683	2,017,454	12,914	2,010,107
Sight deposits	79,562,977	7,045,313	68,490,686	5,039,019
Time deposits	<u>239,103,522</u>	<u>294,178,082</u>	<u>199,850,626</u>	<u>231,923,473</u>
<b>Balance</b>	<b>318,684,182</b>	<b>303,240,849</b>	<b>268,354,226</b>	<b>238,972,599</b>

Cash is deposited in Greek Banks.

## 8. Dividends

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

On 24 April 2015, the Company's Board of Directors, proposed the distribution of 2014 profits after tax amounting to EURO 50,102,331.95 (EURO 4.45 per share). The proposal was approved by the annual General Assembly of the shareholders on 27/04/2015. The payment of the dividends was made on 27/04/2015.

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## 9. Loans and Borrowings

Group's long term borrowings were granted by Greek (National Bank of Greece EUR 35.4 million) and foreign banks (European Investment Bank EUR 223.2 million). 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. DESFA has not signed any new loan agreements after 31/12/2014. 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 the first semester of 2015.

## 10. Provisions

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

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Provisions for legal disputes and claims	21,242,916	23,242,916	4,369,866	4,369,866
Provisions for prior years commission to Greek State	17,769,685	17,769,685	-	-
Provisions for interest on overdue liabilities	3,236,530	2,463,162	3,236,530	2,463,162
Provision for users compensations and supply security duties	4,761,546	1,886,479	-	-
<b>Total</b>	<b>47,010,677</b>	<b>45,362,242</b>	<b>7,606,396</b>	<b>6,833,028</b>

The reduction in provision for legal disputes and claims concerns used provision from prior year after adjudication of the relevant amount (EUR 2 million).

## 11. Trade and other payables

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

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Suppliers	21,764,938	46,246,810	11,845,796	32,048,449
Cheques payables	39,728	283,114	-	-
Customer advances	9,552,080	8,012,397	6,468,500	4,211,835
Tax payables	15,876,217	16,129,086	15,876,217	16,129,086
Social security	540,487	469,241	142,797	101,285
Liabilities to subsidiaries and related parties	4,092,707	2,004,793	13,189,638	26,418,858
Dividends payable	-	1,160,790	-	1,160,790
Other creditors	3,748,204	1,559,869	163,000	417,774
Other accrued liabilities	78,535,133	115,954,632	78,955,484	115,987,999
Deferred income	38,991,625	38,049,340	38,991,625	38,049,340
Accrued expenses	6,882,311	6,258,716	9,024,497	2,104,329
<b>Total</b>	<b>180,023,433</b>	<b>236,128,788</b>	<b>174,657,557</b>	<b>236,629,745</b>

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On 2003, DEPA and Turkish BOTAS signed an Agreement (in accordance with the provisions of the relevant intergovernmental agreement between Greece - Turkey), for the supply of Greece with natural gas from BOTAS on the basis of the purchase price of natural gas of BOTAS from Azerbaijan plus a contractual fixed parameter. On April 2008 and April 2011, BOTAS submitted a request to DEPA to revise the price of gas supplied following a corresponding price revision request of its upstream Azeri suppliers. In addition BOTAS raised an issue of a retrospective revision of the above mentioned incremental parameter. DEPA disagreed with BOTAS over the issue of revision of said parameter. BOTAS filed an appeal against DEPA before the arbitral tribunal ("Tribunal") referred to in the contract. Simultaneously, DEPA, appealed before the same Tribunal on deficient quantities delivered by BOTAS during the recent years.

The Tribunal has issued a number of Procedural Orders after hearings and pleadings by the two parties, in an attempt to gradually converge the positions of the two parties. The above mentioned Procedural Orders do not constitute final decisions but summaries of the Tribunal's reasoning which will be detailed in the final award.

These Orders mainly focus on the revision of the above mentioned contractual increment parameter. More specifically, on May 2014, the Tribunal specified that the parameter revision should reflect changes in gas prices in European markets. On October 2014, the Tribunal further clarified that the natural gas prices in European markets are related to BAFA<sup>1</sup> price, and therefore the contractual price including the increment parameter should be directly based on BAFA price. On July 2015, the Tribunal defined a formula of calculation of the increment parameter, which however contradicts completely its previous guidance. DEPA does not accept this formula and has taken the necessary actions to appeal to the Tribunal and the process is in progress.

While the Arbitration is in progress and no final decision has been issued, DEPA's management is currently unable to modify the previous assessments or quantify an alternative estimate in its financial statements.

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<sup>(1)</sup> The official German average price of gas imports to the country, as published by the German Federal Office for Economic Affairs and Export Control.

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**12. 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 1/1-30/06/2014 and 1/1-30/06/2015, respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2014		1/1-30/06/2014		1/1-30/06/2014		1/1-30/06/2014	
	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	140,154,481	192,530	10,041,197	8,296,897	178,160,104	95,244,859	70,522,778	72,060,244
Transactions with unconsolidated entities	4,630,006	34,700	117,060	4,874	4,630,006	34,700	117,060	4,874
	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2015		1/1-30/06/2015		1/1-30/06/2015		1/1-30/06/2015	
	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	170,622,247	240,331	25,063,345	4,095,765	185,154,884	59,933,557	40,505,226	19,699,055
Transactions with unconsolidated entities	2,723,808	147,887	1,950,811	30,589	2,723,808	147,887	1,950,811	30,589

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

	<b>30/06/2015</b>	<b>30/06/2014</b>
Fees of the Company's Chairman and BoD members	156,399	121,741
Fees of the consolidated Subsidiaries' Chairman, BoD members and supervisory board	<u>160,823</u>	<u>182,331</u>
<b>Fees of the BoD members</b>	<b>317,222</b>	<b>304,073</b>

### 13. Commitments and Contingent Liabilities

#### 13.1 Contingent Liabilities from cases under dispute or under arbitration

For DESFA A.E.:

- a) Outstanding lawsuits against the company amount to EUR 51,157 thousand, and are analyzed as follows: i) 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, ii) amount of EUR 42,243 thousand relates to other lawsuits against the company for which the company estimates that it will not pay more than EUR 16,842 thousand.
- b) There are pending lawsuits against the company concerning compensation for expropriation of property amounting to EUR 8,657 thousand and are directly related to the construction and expansion of the pipeline and other tangible assets. It is noted that according to the company's accounting policy, compensations paid as a result of such cases, are included in the cost value of tangible and intangible assets and therefore no amount has been provided for.
- c) There are pending lawsuits of the company against third parties amounting to EUR 31,575 thousand.

#### 13.2 Other contingent liabilities

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

<b>COMPANY</b>	<b>COUNTRY</b>	<b>OPEN TAX YEARS</b>
DEPA A.E.	GREECE	2014
DESFA A.E. (set up on 30/3/2007, according to the provisions of L. 2166/1993)	GREECE	2014
EPA ATTIKI A.E.	GREECE	2009-2010 & 2014
EPA THESSALONIKI A.E.	GREECE	2014
EPA THESSALIA A.E.	GREECE	2014
Y.A.F.A. POSEIDON A.E.	GREECE	2010 & 2014
SOUTH STREAM A.E.	GREECE	2014
IGB AD	BULGARIA	2011-2014



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The tax audit for 2014 is in progress from the statutory auditors for all the Companies of the Group, DEPA A.E., DESFA A.E., EPA ATTIKI A.E., EPA THESSALONIKI A.E., EPA THESSALIA A.E. and IGI POSEIDON according to article 65A of Law 4174/2013 and no material charges are expected for the Company and the Group. According to the provisions of Article 82 paragraph 5 of L.2238/94 the Company and Group for the unaudited tax years 2011 to 2013 have received a tax certificate with unqualified opinion by the auditors.

On June 2015 the tax audit for unaudited tax years 2007-2010 of EPA Thessaloniki A.E. & EPA Thessalia A.E. was completed. According to the tax audit report additional taxes were imposed of EUR 95,132.58 and EUR 204,546.10 correspondingly that were charged to the profit and loss of the two companies.

The unaudited 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.

### **13.2.2 Take or pay**

Sales of DEPA during the first semester of 2015 decreased compared to the corresponding period of 2014, mainly due to the economic recession, changes in the regulatory framework of the electricity market, and the dramatic increase in electric energy imports (mainly due to the presence of high EFK on gas in Greece which affects its competitiveness). Therefore, a likely drop in gas supply from Gazprom is apparent in 2015, under the relevant contractual obligation for minimum quantity. Similarly, gas sales of DEPA in 2014 were also low, leading to reduced purchases compared to the contractual minimum quantity of gas for the year. Negotiations between the two parties are in progress in order to reach the final for the issue agreement. Any amount that will be paid by DEPA to its supplier for the non-taken quantities of 2014 and 2015 will be a prepayment for the purchase of gas in the following years until the expiration of the supply contract (2026).

## **14. 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 compared to 31 December 2014.

## **15. Other disclosures**

On 12 May 2015, the Extraordinary General Assembly of the shareholders of EPA Thessaloniki approved the reduction of the share capital with cash payment to the Shareholders. The reduction is equal to the amount of EUR 9,300,000 (51% DEPA, i.e. EUR 4,743,000), with cancellation of the corresponding number of shares and reduction of the total number of shares to 193,550,000 shares of nominal value EUR 1. The payment of the share capital to the shareholders will be based on the percentage of their participation in it at the time of the decision (51% DEPA i.e. EUR 4,743,000 and 49% ENI SPA i.e. EUR 4,557,000).

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*(All amounts are expressed in EUR unless otherwise stated)*

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On 12 May 2015, the Extraordinary General Assembly of the shareholders of EPA Thessalia approved the reduction of the share capital with cash payment to the Shareholders. The reduction is equal to the amount of EUR 5,700,000, with cancellation of the corresponding number of shares and reduction of the total number of shares to 72,759,200 shares of nominal value EUR 1. The payment of the share capital to the shareholders will be based on the percentage of their participation in it at the time of the decision (51% DEPA i.e. EUR 2,907,000 and 49% ENI SPA i.e. EUR 2,793,000).

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

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

The share purchase agreement for the sale of 66% of DESFA's share capital was signed by TAIPED, Hellenic Petroleum A.E. and SOCAR on December 21, 2013. The finalization of the transaction is conditional upon the occurrence of certain events such as the approval of the transaction by the EU or national competition authorities (as applicable) and the certification of DESFA by the Regulatory Authority for Energy of the Hellenic Republic ("RAE") in accordance with article 65 of L. 4001/2011 ("Energy Law"). 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 commitments which may be required to be undertaken by SOCAR, cannot be predicted or controlled by the parties. On 29 September 2014, RAE issued DESFA's certification and on 1 October 2014, DG for Competition of the European Commission was notified of the transaction. On 5 November 2014, the European Commission opened an in depth investigation. The extent of commitments which may be required to be undertaken by SOCAR and the exact time required for the European Commission to issue a clearance decision cannot be controlled by the parties.

On 27 July 2015, TAIPED, Hellenic Petroleum A.E. and SOCAR executed Addendum No 2, by virtue of which the long stop date of the Share Purchase Agreement (SPA) has been further extended to 21 December 2015. Further to such agreement, the validity of the SOCAR performance guarantee has been extended accordingly.

Although the parties have signed the SPA, the finalization of the transaction remains subject to conditions, some of which lie beyond the control of the parties and, consequently, the completion of the transaction remains suspended and depends on the satisfaction of such conditions.

The Group fully consolidates DESFA. DESFA's amounts have been evaluated as at 31 December 2014 in compliance with IAS 36 and no impairment indications have been resulted concerning the value of the investment.

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Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals is still to be concluded, Group's management considers it appropriate to maintain as at 30 June 2015 the policy of not classifying investment in DESFA as held for sale. When the transaction is finalized, the Group's equity will be reduced by approximately € 211 million.

During 2015 discussions took place between the competent bodies concerning the reformation of the structure and operation of the domestic gas retail market through gradual full liberalization of the market with the ultimate aim of reducing gas distribution prices to end consumers.

According to the L.4336/2015 which came into force in August 2015, up to 01/01/2017, EPA Attiki, Thessaloniki and Thessalia are required to proceed to the legal and operational unbundling of Distribution Networks Management from other operations through contribution of the distribution sector of each of them during the stage of establishment of a new Gas Distribution Company (EDA).

## **16. Subsequent events after the date of the Financial Statements**

On July 2015, a new tax law came into force in Greece. The new tax law introduced certain changes in corporate taxation such as the increase in the tax rate from 26%, which was in force until 31 December 2014, to 29% for fiscal years beginning on 1 January 2015 onwards.

Had the new tax rate been used on temporary differences for the period ending 30 June 2015, the net deferred tax asset of the Company and the Group would be EUR 29,793,697 and EUR 24,814,068 respectively, while current total net income for the Company and the Group would increase by EUR 3,058,005 and EUR 2,156,821

There were no other events subsequent to the interim financial statements as at 30 June 2015 that materially impact the understanding of these Interim Financial Statements and would need to be disclosed or adjust the amounts presented in these interim financial statements.

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**Independent Auditors' Report on Review of Condensed Interim Financial Information**

**(Translated from the original in Greek)**

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

Introduction

We have reviewed the accompanying condensed standalone and consolidated statement of financial position of PUBLIC GAS COMPANY (DEPA) S.A. (the "Company") as of 30 June 2015 and the related condensed standalone and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the interim financial information. Company's management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Athens, 10 September 2015  
KPMG Certified Auditors A.E.  
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant  
AM SOEL 19071