



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

Interim Financial Statements for the period from January 1, 2014 to June 30, 2014 in accordance with International Accounting Standard 34 as adopted by the European Union

(TRANSLATED FROM THE GREEK ORIGINAL)

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

Table of Contents

	Page
Interim Statement of Comprehensive income	3
Interim Statement of Financial Position	4 - 5
Interim Statement of Changes in Equity	6 - 7
Interim Statement of Cash Flows	8
Notes to the Condensed Interim Financial Statements	9 - 18

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		1/1-30/06/2014	1/1-30/06/2013	1/1-30/06/2014	1/1-30/06/2013
Revenue		571,944,436	801,333,881	607,392,673	807,308,349
Cost of Sales		(518,126,822)	(715,608,294)	(566,562,865)	(757,761,205)
Gross Profit		53,817,614	85,725,587	40,829,808	49,547,144
Administrative expenses		(15,719,401)	(15,052,735)	(8,200,720)	(7,894,649)
Distribution expenses		(4,851,542)	(3,315,336)	(4,704,628)	(3,152,928)
Other income/(expenses)		119,339	(6,219,834)	821,568	(2,995,730)
Amortization of grants		7,026,666	5,611,012	648,199	648,312
Share of profit/(loss) from equity-accounted investees		12,448,127	16,283,438	-	-
Dividends		-	-	31,813,102	48,496,161
Foreign currency translation differences (losses)		(1,234,722)	(639,005)	(1,231,632)	(579,675)
Operating Profit		51,606,081	82,393,127	59,975,697	84,068,635
Finance costs		(5,246,210)	(10,677,282)	(3,717,313)	(9,854,604)
Finance income		16,033,320	22,884,740	15,997,102	22,935,064
Profit before income tax		62,393,191	94,600,585	72,255,486	97,149,095
Income tax	4	(9,901,334)	(9,052,339)	(5,909,566)	1,575,293
Profit for the period		52,491,858	85,548,246	66,345,920	98,724,388
Profit for the period		52,491,858	85,548,246	66,345,920	98,724,388
Other Comprehensive Income					
Amounts classified in the Statement of Comprehensive Income					
Valuation of AFS portfolio		11,422	(55,821)	-	-
Income tax relating to the valuation of AFS portfolio		(2,970)	11,781	-	-
Amounts not classified in the Statement of Comprehensive Income					
Income tax relating to actuarial losses		-	13,124	-	-
Other comprehensive income		8,452	(30,916)		
Total comprehensive income for the period		52,500,309	85,517,330	66,345,920	98,724,388

The notes on pages 9 to 18 are an integral part of these condensed interim financial statements.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	GROUP	
		30/06/2014	31/12/2013
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,997,195,676	1,996,258,165
Intangible assets	5	19,558,172	19,235,541
Investment in subsidiaries		326,087,050	334,394,800
Investment in associates		8,833,283	9,139,263
Other long-term receivables		25,022,940	49,059,564
Deferred tax assets		30,021,865	32,477,559
Total non-current assets		2,406,718,986	2,440,564,892
Current assets			
Inventories		37,914,728	59,859,683
Trade and other receivables	6	435,503,785	535,133,781
Cash and cash equivalents		195,868,954	154,002,901
Total current assets		669,287,467	748,996,365
TOTAL ASSETS		3,076,006,453	3,189,561,257
LIABILITIES			
EQUITY			
Share capital	7	991,238,046	991,238,046
Reserves		133,941,774	133,933,322
Retained Earnings		539,867,496	595,911,925
Total Equity		1,665,047,316	1,721,083,293
LIABILITIES			
Non-current liabilities			
Loans and borrowings	9	218,565,827	234,956,126
Provisions and other liabilities	10	44,014,536	45,029,226
Government grants		298,606,330	305,584,878
Employee benefits		11,058,894	10,657,209
Other long-term liabilities		587,353,081	598,387,290
Deferred tax liability		2,631,251	4,623
Total non-current liabilities		1,162,229,919	1,194,619,352
Current liabilities			
Trade and other payables	11	201,612,818	229,374,832
Loans and borrowings	9	32,697,264	32,697,264
Short-term tax liabilities		14,419,136	11,786,516
Total current liabilities		248,729,218	273,858,612
Total liabilities		1,410,959,137	1,468,477,964
TOTAL EQUITY AND LIABILITIES		3,076,006,453	3,189,561,257

The notes on pages 9 to 18 are an integral part of these condensed interim financial statements.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

	Σημείωση	COMPANY	
		30/06/2014	31/12/2013
ASSETS			
Non-current assets			
Property, plant and equipment	5	725,330,866	727,095,307
Intangible assets	5	3,160,772	3,288,803
Investment in subsidiaries		924,467,851	924,467,851
Investment in associates		13,200,000	13,200,000
Other long-term receivables		32,114,875	48,911,742
Deferred tax assets		29,988,565	32,556,996
Total non-current assets		1,728,262,929	1,749,520,699
Current assets			
Inventories		11,196,096	24,762,156
Trade and other receivables	6	443,082,542	575,331,159
Cash and cash equivalents		150,989,567	99,497,481
Total current assets		605,268,205	699,590,796
TOTAL ASSETS		2,333,531,134	2,449,111,495
LIABILITIES			
EQUITY			
Share capital	7	991,238,046	991,238,046
Reserves		116,834,468	116,834,468
Retained Earnings		357,181,635	399,372,004
Total Equity		1,465,254,149	1,507,444,518
LIABILITIES			
Non-current liabilities			
Provisions and other liabilities	10	6,114,536	7,129,226
Government grants		34,244,244	34,892,443
Employee benefits		1,095,976	1,071,568
Other long-term liabilities		587,163,961	598,198,170
Total non-current liabilities		628,618,717	641,291,407
Current liabilities			
Trade and other payables	11	236,317,133	300,375,570
Loans and borrowings		3,341,135	-
Total current liabilities		239,658,268	300,375,570
Total liabilities		868,276,985	941,666,977
TOTAL EQUITY AND LIABILITIES		2,333,531,134	2,449,111,495

The notes on pages 9 to 18 are an integral part of these condensed interim financial statements.

Chairman of the Board of Directors	George Spanoudis
Chief Executive Officer	Spiros Paleoyannis
Head Financial Activities	
Member of the Greek Economic Chamber – 750 – A' Class Signatory Right	Maria Fantridakis
Head costing, Balance Sheet and Consolidated Financial Statements	
Member of the Greek Economic Chamber – 14456 – A' Class Signatory Right	Leonidas Mouzakitis

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Properties & other fixed assets acquired free of charge	Reserve due to share capital translation in EUR	Special Reserves	Available for sale securities reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2013	991,238,046	45,639,337	448,858	12,438	81,739,293	36,438	2,781,243	483,486,258	1,605,381,909
Impact of change in accounting policy	-	-	-	-	-	-	-	6,245,784	6,245,784
Restatement from changes in accounting policies of evaluation of joint ventures	-	(4,374,463)	-	-	-	-	-	4,374,463	-
Restated balance at 1 January 2013	991,238,046	41,264,875	448,858	12,438	81,739,293	36,438	2,781,243	494,106,504	1,611,627,694
Profit for the period 1/1-30/06/2013 after tax	-	-	-	-	-	-	-	85,548,246	85,548,246
Other comprehensive income	-	-	-	-	-	(30,916)	-	-	(30,916)
Total comprehensive income for the period	-	-	-	-	-	(30,916)	-	85,548,246	85,517,330
Transactions with owners of the Company, recognized directly in equity:									
Dividends for 2012	-	-	-	-	-	-	-	(35,916,054)	(35,916,054)
Total transactions with the owners of the Company	-	-	-	-	-	-	-	(35,916,054)	(35,916,054)
Balance at 30 June 2013	991,238,046	41,264,875	448,858	12,438	81,739,293	5,522	2,781,243	543,738,698	1,661,228,971
Balance at 1 January 2014	991,238,046	48,955,084	448,858	12,228	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
Transactions with owners of the Company, recognized directly in equity:									
Dividends for 2013	-	-	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with the owners of the Company	-	-	-	-	-	-	-	(108,536,288)	(108,536,288)
Balance at 30 June 2014	991,238,046	48,955,084	448,858	12,228	81,376,695	5,069	3,143,841	539,867,496	1,665,047,316

The notes on pages 9 to 18 are an integral part of these condensed interim financial statements.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

COMPANY'S INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Reserve due to share capital translation in EUR	Special Reserves	Tax free reserves	Retained Earnings	Total
Balance at 1 January 2013	991,238,046	26,467,584	12,228	81,739,293	2,825,363	295,837,770	1,398,120,284
Impact of change in accounting policy	-	-	-	-	-	1,032,899	1,032,899
Restated balance at 1 January 2013	991,238,046	26,467,584	12,228	81,739,293	2,825,363	296,870,669	1,399,153,183
Profit for the period 1/1-30/06/2013 after tax	-	-	-	-	-	98,724,388	98,724,388
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	98,724,388	98,724,388
Transactions with owners of the Company, recognized directly in equity:							
Dividends for 2012	-	-	-	-	-	(35,916,054)	(35,916,054)
Total transactions with the owners of the Company	-	-	-	-	-	(35,916,054)	(35,916,054)
Balance at 30 June 2013	991,238,046	26,467,584	12,228	81,739,293	2,825,363	359,679,004	1,461,961,518
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
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	66,345,919	66,345,919
Transactions with owners of the Company, recognized directly in equity:							
Dividends for 2013	-	-	-	-	-	(108,536,288)	(108,536,288)
Total transactions with the owners of the Company	-	-	-	-	-	(108,536,288)	(108,536,288)
Balance at 30 June 2014	991,238,046	32,257,584	12,228	81,376,695	3,187,961	357,181,635	1,465,254,149

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PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Condensed Interim Financial Statements as at 30 June 2014
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STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	1/1-30/06/2014	1/1-30/06/2013	1/1-30/06/2014	1/1-30/06/2013
Cash Flows from operating activities:				
Profit before income tax	62,393,191	94,600,585	72,255,486	97,149,095
Adjustments for:				
Depreciation	38,728,831	34,945,722	11,471,656	11,201,013
Provisions	2,432,642	(15,070,799)	2,055,365	(11,399,549)
(Profit)/ losses on jointly controlled companies	(12,754,107)	(16,766,718)	-	-
Investments in associates	305,980	483,280	-	-
Income from dividends	-	-	(31,813,102)	(48,496,161)
(Profit)/Losses on sale of property, plant and equipment	-	11,792	-	10,662
Amortisation of grants	(7,026,666)	(5,611,012)	(648,199)	(648,312)
Foreign currency differences	(26,035)	378,538	(29,125)	319,208
Net finance costs	(10,787,110)	(12,207,458)	(12,279,789)	(13,080,460)
Other income	-	(2,458,679)	-	-
Amortization of rights of use	(18,890,695)	(18,638,561)	(18,890,695)	(18,638,561)
	54,376,032	59,666,690	22,121,596	16,416,935
Adjustments for changes in working capital or changes related to operating activities:				
Decrease/(Increase) in inventories	21,944,956	23,019,951	13,566,060	17,829,275
Decrease/(Increase) in receivables	110,175,192	225,156,429	127,877,568	255,190,192
Decrease/(Increase) in long term receivable	24,036,621	(70)	16,796,865	615
(Decrease)/Increase in liabilities (excluding banks)	(15,352,425)	(209,396,007)	(62,291,507)	(198,223,613)
Cash Flows from operating activities	195,180,376	98,446,993	118,070,582	91,213,404
Interest and other related expenses paid	(5,984,257)	(10,349,075)	(644,279)	(1,977,766)
Taxes paid	(6,657,743)	(13,075,796)	-	-
Net Cash from operating activities (a)	182,538,376	75,022,122	117,426,303	89,235,638
Cash Flows from investing activities:				
Acquisition of property, plant, equipment and intangible assets	(39,988,973)	(30,265,943)	(9,579,183)	(1,167,945)
Proceeds from disposal of property, plant and equipment and intangible assets	-	3,951,421	-	-
Dividends received	-	-	31,813,102	14,160,670
Interest received	16,543,285	22,877,864	12,716,318	17,570,482
Proceeds from grants for investments in fixed assets	48,118	12,012,806	-	-
Proceeds from share capital decrease	7,651,834	5,100,501	7,651,834	5,100,501
Net Cash from investing activities (b)	(15,745,736)	13,676,649	42,602,071	35,663,708
Cash Flows from financing activities:				
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	(16,390,299)	(81,873,702)	-	(60,000,000)
Dividends paid	(108,536,288)	-	(108,536,288)	-
Net Cash from financing activities (c)	(124,926,587)	(81,873,702)	(108,536,288)	(60,000,000)
Net increase / (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	41,866,053	6,825,069	51,492,086	64,899,346
Cash and cash equivalents at the beginning of the period	154,002,901	166,681,917	99,497,481	69,581,721
Cash and cash equivalents at the end of the period	195,868,954	173,506,985	150,989,567	134,481,067

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PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

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

According to article 3 of the Greek Law 2364/1995, amended by Law 2992/2002, the Parent Company of the Group, DEPA S.A. was nominated as the Operator of the National 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 S.A.

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

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

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

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

According to article 32 of L. 2992/2002, the rights of use held by EDA companies were transferred to a Societe Anonyme for Natural Gas Supply (EPA S.A.). Therefore, the distribution of gas to domestic, commercial and industrial consumers through medium and low pressure pipelines, owned by EDA S.A., 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 S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

Approval of Financial Statements

These condensed interim financial statements ("Condensed Financial Statements") were authorized for issue by the Company's Board of Directors on 31 July 2014.

2. Basis of Preparation and summary of Significant Accounting Policies

Statement of compliance

These condensed interim financial statements for the period ended 30 June 2014 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 2013.

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 2013. There are no changes in accounting standards compared to that used as of 31/12/2013 that affect the interim financial statements.

Judgments and estimates

The preparation of interim financial statements in conformity 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 for the year ended 31 December 2013.

Financial Risk Management

Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2013.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014

(All amounts are expressed in EUR unless otherwise stated)

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. 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	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Current tax	(4,819,011)	(9,040,795)	(3,341,135)	-
Deferred tax	(5,082,323)	(11,544)	(2,568,431)	1,575,293
Total taxes recognized in the Statement of Comprehensive Income	(9,901,334)	(9,052,339)	(5,909,566)	1,575,293

The effective tax rate for the first half of 2014 is about 16% and 8% for the Group and the Company. The corresponding figures for the first half of 2013 were approximately 10% and 2% respectively. The difference in percentage of the effective tax rate is due to tax losses of the Company in 2013 that accordingly affects the Group.

5. Fixed Assets and Intangible Assets

Purchases and depreciation/amortization of tangible and intangible assets of the Group for the six months period of 2014 was EUR 39,988,973 (2013: EUR 30,265,943) and EUR 38,728,831 (2013: EUR 34,945,722) respectively. Purchases and depreciation/amortization of tangible and intangible assets of the company was EUR 9,579,183 (2013 EUR 1,167,945) and EURO 11,471,656 (2013: EUR 11,201,013) 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.

6. Trade and other receivables

Trade and other receivables are analyzed as follows:

	GROUP		COMPANY	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Trade Debtors	318,567,697	392,215,667	327,982,186	410,059,274
Less : Provisions	(76,791,455)	(76,791,455)	(76,791,455)	(76,791,455)
Total	241,776,242	315,424,212	251,190,731	333,267,818
Other Receivables	193,727,542	219,709,569	191,891,811	242,063,341
Total	435,503,785	535,133,781	443,082,542	575,331,159

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

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

7. Share Capital

According to the Shareholders Register of the Company, as at 30/06/2014, its shareholders were the following:

SHAREHOLDER	NO OF SHARES	PARTICIPATION PERCENTAGE AS AT 30/06/2014
Hellenic Republic Asset Development Fund (H.R.A.D.F.)	7,318,318	65.00%
Hellenic Petroleum S.A.	3,940,633	35.00%
TOTAL	11,258,951	100.00%

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 28 May 2014, the Company's Board of Directors, proposed a dividend from the profits of 2013 amounting to EURO 48,526,078.81 (EURO 4.31 per share). The proposal has been approved by the annual Ordinary Shareholders' meeting on 30/06/2014. Furthermore the shareholders after agreement with the company's management they decided to distribute profits of previous years (retained earnings) amounting to EUR 60,010,208.83. The payment of those dividends was made on 30/06/2014.

9. Loans and Borrowings

Borrowings of the Group have been granted by Greek and foreign banks and are denominated in EUR and US Dollars. Amounts payable within a year from the Statement of financial position date are classified as current, while amounts payable after one year are classified as long-term. The Group records provisions for accrued borrowing interests and recognizes them in each period's profit or loss. DESFA has not signed any new loans after 31/12/2013.

10. Provisions and other liabilities

Provisions for contingent risks and expenses amounted to EUR 44 million (2013: EUR 22 million) relate to recorded provisions for legal disputes and claims against the parent company DEPA SA for an amount of EUR 4.4 million (2013: EUR 2.4 million), provisions for legal disputes and claims against the subsidiary DESFA SA for an amount of EUR 20.1 million (2013: EUR 18.6 million), provisions for Commission to Greek government for prior years amounted to EUR 17.8 million of DESFA SA and parent company's provisions for overdue interest expense for an amount of EUR 1.7 million (2013: EUR 1 million).

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Suppliers	36,392,470	72,500,992	23,698,718	46,047,837
Cheques payables	331,592	216,131	-	-
Customer advances	9,824,934	2,581,621	-	-
Tax payables	15,115,325	19,232,997	15,115,325	19,232,997
Social security	519,611	521,459	158,188	115,047
Liabilities to subsidiaries and related parties	8,293,416	376,986	58,894,748	105,683,568
Other creditors	1,511,953	1,609,108	199,858	348,348
Other accrued liabilities	84,226,048	88,097,049	89,928,130	89,324,075
Deferred income	37,781,390	32,889,042	37,781,390	37,378,528
Accrued expenses	7,616,078	11,349,449	10,540,776	2,245,170
Total	201,612,818	229,374,832	236,317,133	300,375,570

On December 23, 2003, DEPA and Turkish BOTAS signed an Agreement (in accordance with the provisions of the relevant intergovernmental agreement between Greece - Turkey), for the supply of Greece with natural gas from BOTAS. The above Supply Agreement provides for the delivery of natural gas at the Greek - Turkish border. The contractual price (Pn) is determined by two factors, the supply price of natural gas of Azerbaijan (Pc) and the parameter K ($P_n = P_c + K$). Under the Agreement, BOTAS has the right to submit to DEPA a price revision request, in the event that a similar request of price review has been raised by under the contract that BOTAS has signed with its original upstream suppliers (Azerbaijan). In April 2008, BOTAS submitted a request to DEPA to revise the price of gas supplied following a corresponding price revision request of its upstream supplier. In addition BOTAS raised an issue of a retrospective revision of the pricing formula's "K" parameter for the purpose of determining a revised final selling price of gas in DEPA. DEPA disagreed with BOTAS over the issue of revision of said parameter both for procedural reasons (extent of retroactivity) and substantive (congruence of K). BOTAS filed an appeal against DEPA before the arbitral tribunal referred to in the contract. Simultaneously, DEPA, appealed before the same tribunal on deficient quantities delivered by BOTAS during recent years requesting compensation for each day that deficient deliveries were made.

On the 5th May 2014 the Tribunal issued a kind of "preliminary decision" for the first and major aspect of the case, i.e. parameter K. The Tribunal, thus, issued an "executive summary", as agreed by the parties, for the sake of speeding up the procedure, until the final drafting and serving its full decision (award). With respect to the second part of the case, i.e. DEPA's counterclaims over deficient supplies gas by BOTAS, decision is still pending. The Tribunal ruled that K's revision applies since 15 September 2009 and not since April 2008. The Tribunal also ruled that in order for the revisions to be fair and reasonable they should be based on both changes of Azerbaijan's gas price (Pc) and fundamental changes in market parameters, in particular to changes in gas prices in European

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014

(All amounts are expressed in EUR unless otherwise stated)

markets, without giving further details. The Tribunal invited the parties to meet before it on 26 May 2014 and gave them notice to submit their final arguments. Final ruling including determination of K's exact value is expected within 2014. Given that the Tribunal has not yet specified an exact value of parameter K, nor has provided further clarifications on what is considered to be "European gas prices" in the context of a fair and reasonable price revision, DEPA's management is currently unable to proceed to an alternative estimate in its financial statements.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

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 of the mutual controlled entities refer to the 100% interest. The Company's and the Group's related party transactions and balances during the period 1/1-30/06/2013 and at 1/1-30/06/2014, respectively, are as follows:

	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2013		1/1-30/06/2013		1/1-30/06/2013		1/1-30/06/2013	
	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties	Sales to related parties	Purchases from related parties	Due from related parties	Due to related parties
Transactions with consolidated entities	160,914,128	281,641	10,396,578	175,478	170,789,569	85,467,835	108,153,095	142,848,153
Transactions with unconsolidated entities	5,042,284	48,811	13,238,956	20,141	5,042,284	48,811	13,238,956	20,141
	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

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014

(All amounts are expressed in EUR unless otherwise stated)

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

	30/06/2014	30/06/2013
Fees of the Company's Chairman and BoD members	151,158	136,513
Fees of the consolidated Subsidiaries' Chairman, BoD members and supervisory board	<u>182,331</u>	<u>132,684</u>
Fees of the Group's Chairman and BoD members	333,489	269,198

13. Commitments and Contingent Liabilities

13.1 Contingent Liabilities from cases under dispute or under arbitration

For DESFA S.A.:

a) There are third party actions against the company of a total amount of EUR 53,701 million, including interest, which includes an amount of EUR 17,135 million related to contractor-manufacturing companies. It should be noted that according to the company's accounting policy the compensations paid for the above cases are included in the acquisition value of tangible assets, therefore no provision is made for the amount of EUR 17,135 million. For the remaining amount of EUR 36, 565 million, the company estimates that the amount which the company will pay will be less than EUR 20,100 million for which the company has formed a provision of equivalent amount.

b) There are liabilities of Greek State guarantees of EURO 17,800 million for which the company has formed a provision of equivalent amount.

c) There are actions against the company, directly related to the construction – expansion of the pipeline and other tangible assets, involving compensation for expropriation of real estate amounting to EUR 14,464 million. It should be noted that according to the company's accounting principle, the compensations paid for the above cases are included in the acquisition value of tangible assets.

d) There are actions by the company against third parties amounting to EUR 34,641 million.

13.2 Other contingent liabilities

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

COMPANY	COUNTRY	OPEN TAX YEARS
DEPA S.A.	GREECE	-
DESFA S.A. (set up on 30/3/2007, according to the provisions of L. 2166/1993)	GREECE	-
EPA ATTIKI S.A.	GREECE	2009-2010
EPA THESSALONIKI S.A.	GREECE	2007-2010
EPA THESSALIA S.A.	GREECE	2007-2010
Y.A.F.A. POSEIDON S.A.	GREECE	2010
SOUTH STREAM S.A.	GREECE	-
IGB AD	BULGARIA	2011-2013

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

The unaudited tax years until 2010 under the current provisions will be audited by the tax authorities under the rules and procedures which were applicable to the implementation of that law. Due to the fact that the tax audit may not recognize certain expenses, it is likely to impose some additional taxes for the years which have not been audited by the tax authorities.

On 16/12/2013 a tax audit was assigned by the Control Center of Large Corporations for all unaudited tax years for EPA Thessaloniki SA & EPA Thessalia SA. Until the completion of the financial statements no tax audits have been commenced.

14. Disclosures about fair value of financial instruments

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 carried at amortized cost is not materially different from their respective book value. There are no transfers between levels in relation to December 31, 2013.

15. Other Disclosures

On 01.08.2013 the Board of Directors of H.R.A.D.F. (share 65% of DEPA) and on 02.08.2013 the Board of Directors of Hellenic Petroleum (share 35% of DEPA SA) approved the sale of 66% of DESFA (or 31% by the State and 35% by HELPE) in Azeri Socar company which had filed an offer of EURO 400 million.

The board of Hellenic Petroleum S.A. recommended the approval of the transaction to the Extraordinary General Meeting of shareholders, which was convened to for this purpose, on September 2, 2013.

The share purchase agreement for the sale of 66% of the share capital of DESFA was signed by H.R.A.D.F., Hellenic Petroleum S.A. 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 Law 4001/2011 ("Energy Act"). It should be noted that, as there is no precedent regarding the Certification of an Administrator of the gas transportation system 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 parties.

Despite the fact that the parties have signed the share purchase agreement, the finalization of the transaction is still subject to certain conditions, some of which are beyond the control of the parties and, therefore, remains suspended depending on satisfaction of the above conditions.

The Group consolidates DESFA with the full consolidation method. The amounts of DESFA evaluated at 31 December 2013 in accordance with the guidance in IAS 36 and the result was that there are no indications of impairment of investment.

In view thereof, since the transfer is subject to the approval of both the competent bodies and of national and European regulatory authorities, for this reason the investment on DESFA is not classified as held for sale. Once the transaction would be finalized, the Group's equity will be reduced by approximately € 197 million.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014

(All amounts are expressed in EUR unless otherwise stated)

Following an initiative by the Troika and further to active participation of all relevant stakeholders (ministry, RAE, Ministry of Finance) a complete transformation of the structure and operation of the domestic retail market for natural gas is underway via the gradual full liberalization of said market for the purpose of reducing sales prices of gas to final consumers. Such legislative and regulatory changes may affect the financial results of the Gas Supply Companies and DEPA.

16. Subsequent events after the date of the Financial Statements

On July 4, 2014, the extraordinary general meeting of shareholders of the subsidiary EPA Thessaloniki approved reduction of share capital through cash payment to shareholders. The reduction is equal to the amount of EUR 35 million (51% DEPA, EUR 17,850,000 million) by canceling 35,000,000 shares and reducing the total number of shares to 202,850,000 shares with a nominal value of 1 euro each. After the reduction, the share capital of EPA Thessaloniki will amount to EUR 202,850,000 million, divided into 202,850,000 shares with a nominal value of EUR 1.00 each.

There have been no other events after 30 June 2014 that would have a material effect to these interim financial statements and would need to be disclosed or to adjust the amounts presented in these interim financial statements.

PUBLIC GAS CORPORATION OF GREECE (DEPA S.A.)
Notes to the Condensed Interim Financial Statements
as at 30 June 2014
(All amounts are expressed in EUR unless otherwise stated)

**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 2014 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, 1 August 2014

KPMG Certified Auditors A.E.
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071