ETETH S.A.

Company's number in the General Electronic Commercial Registry: 057181304000 - Number 8230/62/B/86/0065 in the register of Societes Anonymes

6th Km Thessalonikis - Thermis, 57001 Thermi Thessalonikis Greece

Annual Financial Statements for the period of 1 January 2016 until 31 December 2016

(published in accordance with Law 2190/20, article 135 on companies preparing annual financial accounts, both consolidated and non-consolidated, under IAS & IFRS)

The figures and information illustrated below aim to provide a summary view of the financial position and results of ETETH S.A.. Before making any investment decision or any other transaction concerning the company, we advise the reader to visit the company's web-site (www.eteth.gr) which presents the detailed financial statements according to International Financial Reporting Standards, along with the auditor's report.

CORPORATE INFORMATION

Supervising Authority	Region of Central Macedonia - General Directorate of Development - Business Development Thessaloniki Regional Unity - Department of Trade and Tourism Trust
Board of Directors	President & Managing Director: Konstantinos Mitzalis
	Vice President: Konstantinos Lysaridis
	Directors: Konstantinos Kouvaras, Evangelos Ladas, Argirios Vergis, Christodoulos Tsiligkiris, Antonios Mitzalis, Nikolaos Mitzalis, Zoe Lysaridou.
Date of Authorisation of the Annual Financial Accounts (which this financial statement draws upon)	May 16th, 2017
Public Certified Accountant	Antonios I. Anastasopoulos (S.O.E.L. R.N. 33821)
Auditing Firm	BDO Certified Public Accountants S.A. (SOEL R.N. 173)
Type of Auditor's Review Report	**Unqualified Opinion**
Web site	www.eteth.gr www.jp-avax.gr

CONDENSED STATEMENT OF FINANCIAL POSITION

amounts in € thousand

	COMPANY	
	31/12/2016	31/12/2015
ASSETS		
Tangible assets	2.681	2.859
Investment property	259	259
Intangible assets	1	1
Available for sale investments	70.680	88.895
Other non-current assets	1.958	1.949
Inventories	184	691
Trade receivables	15.361	18.154
Other current assets	8.021	8.831
Cash and cash equivelants	2.004	2.560
TOTAL ASSETS	**101.147**	**124.199**
SHAREHOLDER'S EQUITY AND LIABILITIES		
Share Capital	3.021	3.021
Other equity items	61.235	72.633
Share Capital & Reserves (a)	**64.256**	**75.654**
Provisions/Other Long term Liabilities	16.145	21.899
Short term borrowings	2.100	2.100
Other short term liabilities	18.645	24.546
Total Liabilities (b)	**36.891**	**48.546**
TOTAL SHAREHOLDER EQUITY AND LIABILITIES (a)+(b)	**101.147**	**124.199**

CONDENSED STATEMENT OF CHANGES IN EQUITY

amounts in € thousand

	COMPANY	
	31/12/2016	31/12/2015
Equity balance at the beginning of fiscal year (1/1/16 and 1/1/15 respectively)	75.654	90.557
Total comprehensive income after taxes	(4.852)	2.941
Dividend paid	(6.546)	(17.844)
Equity balance at the end of fiscal year (31/12/16 and 31/12/15 respectively)	**64.256**	**75.654**

CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME

amounts in € thousand

	COMPANY	
	1/1-31/12/2016	1/1-31/12/2015
Turnover	28.137	21.425
Cost of sales	(23.133)	(18.493)
Gross profit	**5.004**	**2.932**
Other net operating income/(expense)	(488)	(6)
Administrative expenses	(3.015)	(1.991)
Selling & Marketing expenses	(99)	(52)
Income/(Losses) from Associates/Participations	7.595	6.141
Profit before tax, financial & investment results	**8.997**	**7.024**
Net finance costs	(23)	(176)
Profit before tax	**8.974**	**6.849**
Tax	(1.113)	(391)
Profit after tax (a)	**7.862**	**6.457**
Other comprehensive income net of tax (b)	**(12.714)**	**(3.516)**
Total comprehensive income net of tax (a)+(b)	**(4.852)**	**2.941**
Basic Earnings per share (in €)	0,78	0,64
Proposed dividend per share (in €)	0,96	0,65
Profit before tax, financial and investment results and depreciation	9.231	7.237

COMPANY'S STRUCTURE

The companies-besides ETETH S.A.- included in the consolidated financial statements of the parent company J&P-AVAX, are:

Full Consolidation method (subsidiaries)	
ELVIEX Ltd, Ioannina	60%
Equity Consolidation method (associates)	
SALONICA PARK S.A., Athens	12,35%
ATTIKA DIODIA S.A., Athens	9,8273%
ATTIKI ODOS S.A., Athens	10,0231%
CYCLADES ENERGY CENTER S.A., Athens	45,00%
Proportionate Consolidation method (Joint Ventures)	
J/V AKTOR S.A. - J&P - AVAX S.A. - ATTIKAT S.A. - ETETH S.A. - PANTECHNIKI S.A., Athens	9,83%
J/V J&P - AVAX S.A. - ETETH A.E (Suburban Railway)., Athens	31,75%
J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	23,50%
J/V ETETH S.A.-TRIKAT A.E.K.T.E.-BIOTER S.A.(Inoi-Chalkida), Athens	40,00%
J/V J&P-AVAX S.A. - ETETH S.A., Athens	50,00%
J/V TOMES S.A. - ETETH S.A., Chania	50,00%
J/V "J/V AKTOR S.A. – DOMOTEXNIKH S.A. THEMELIODOMI S.A." – TERNA S.A – ETETH S.A., Salonica	25,00%
J/V ERGOTEM A.T.E.V.E. - KASTOR S.A. - ETETH S.A., Athens	15,00%

CASH FLOW STATEMENT

amounts in € thousand

	COMPANY	
	1/1-31/12/2016	1/1-31/12/2015
Operating Activities		
Profit before tax	8.974	6.849
Adjustments for:		
Depreciation	234	213
Investment properties/ Tangible assets	-	32
Provisions	(189)	193
Interest income	(144)	(34)
Interest expense	167	210
Investment (income)/ loss	(7.595)	(6.141)
Change in working capital		
(Increase)/decrease in inventories	508	(372)
(Increase)/ Decrease in trade and other receivables	3.594	13.044
Increase / (Decrease) in payables	(11.184)	1.805
Interest paid	(167)	(210)
Income taxes paid	(1.394)	(166)
Cash Flow from Operating Activities (a)	**(7.196)**	**15.421**
Investing Activities:		
Purchase of tangible and intangible assets	(59)	(81)
Proceeds from disposal of tangible and intangible assets	4	4
(Acquisition)/ Sale of subsidiaries, associates, JVs and other investments	5.502	(1.878)
Interest received	144	34
Dividends received	7.595	6.141
Cash Flow from Investing Activities (b)	**13.186**	**4.220**
Financing Activities		
Proceeds (payments) from loans	(0)	-
Dividends paid	(6.546)	(17.844)
Cash Flow from Financing Activities (c)	**(6.546)**	**(17.844)**
Net increase/ (decrease) in cash and cash equivalents (a)+(b)+(c)	**(556)**	**1.797**
Cash and cash equivalents at the beginning of fiscal year	**2.560**	**763**
Cash and cash equivalents at the end of fiscal year	**2.004**	**2.560**

NOTES TO THE ACCOUNTS

1.The accounting policies applied in preparing these Financial Statements are consistent with those applied for the Financial Statements at 31.12.2015.

2. For fiscal years 2011, 2012 and 2013, the company, which is subject to a tax audit of a statutory auditor in accordance with par. 5 of article 82 of law 2238/1994, received a "Tax Compliance Report" with an unqualified opinion.For the fiscal year 2014 and 2015, the company has been subjected to tax auditing from an auditor in accordance with par.1 of article 65A of Law 4174/2013 as amended by Law 4262/2014. The company has received a "Tax Compliance Report" with an unqualified opinion. For the fiscal year 2016 the company has been subjected to tax auditing from an auditor in accordance with Law 4446/2016. The tax audit on fiscal year 2016 is in progress and the relevant tax certificate will be issued following the publication of the financial accounts for 2016. We estimate that any additional tax liabilities which may arise until the completion of the tax audit, will not materially effect the financial accounts. (see note 32 of the annual financial statements of 31.12.2016).

3. There is no collateral security on the company's fixed assets.

4. There are no cases under dispute of arbitrage as well as judicial decisions, which might cause important implications in the financial condition or operation of the company.

5. Number of employees at the end of the reporting period:

	COMPANY	
	31/12/2016	31/12/2015
Salary paid	54	50
Wage paid	40	26
Total	94	76

6. Earnings per share were estimated using the weighted number of shares.

7. The Company's purchases from and sales to affiliated companies (as defined in IAS 24) cumulatively from the start of the fiscal year amount to € 467 thousand and € 3.813 thousand, respectively. The balance of the company's receivables from and paybles to affiliate companies (as defined in IAS 24) at the end of the fiscal year, amount to € 4.428 and € 1.147, thousands respectively. The transaction of the Company with the members of BOD and fees of the management for the current period are € 1.070 thousand. Paybles to members of the BOD and management are € 110 thousand.

8. The Board of Directors approved the above financial statements on May 16th, 2017.

9. Minor differences in sums are due to rounding.

10. The Board will propose to the Annual General Meeting of Shareholders as dividend per share for the year 2016 the amount of EUR 0,96 (2015: 0,65)

11. The other comprehensive income after taxes in the Statement of Comprehensive Income is analyzed as follows:

	1.1-31.12.2016	1.1-31.12.2015
Revaluation reserves of other assets	-	(56)
Reserves for available for sale financial assets	(18.216)	(4.229)
Tax on other comprehensive income	5.283	938
Re-measurement gains/ (losses) on defined benefit plans	219	(170)
Other comprehensive income after taxes	**(12.714)**	**(3.516)**

12. None of the Companie's shares are held by the Company itself at the end of the fiscal year.

13. There are no events after the date of the financial statements that require reporting in accordance with International Financial Reporting Standards.

Thessaloniki, May 16th 2017

PRESIDENT & MANAGING DIRECTOR	VICE PRESIDENT	FINANCE MANAGER	CHIEF ACCOUNTANT
KONSTANTINOS MITZALIS	KONSTANTINOS LYSARIDIS	ARGYRIOS VERGIS	LAZAROS AKTENIZOGLOU