



PIRAEUS PORT AUTHORITY S.A.

OFFERING MEMORANDUM

FOR THE PUBLIC OFFERING OF EXISTING SHARES OWNED BY THE GREEK STATE AND THE ADMISSION OF THE COMPANY'S SHARES TO THE MAIN MARKET OF THE ATHENS EXCHANGE

THE BOARDS OF DIRECTORS OF THE ATHENS EXCHANGE AND THE HELLENIC CAPITAL MARKETS COMMISSION HAVE APPROVED THIS MEMORANDUM SOLELY AS TO THE SUFFICIENCY OF INVESTOR DISCLOSURE, AS PER THE PROVISIONS OF PRESIDENTIAL DECREE 348/1985.

For the purpose of exercise by bearers of Hellenic Republic privatization certificates due 2003, listed on the Luxemburg Stock Exchange, of rights of exchange of such certificates for shares of PPA S.A., an offering memorandum has been prepared in English (not submitted to the Capital Markets Commission for approval), which provides equivalent information to investors.

ADVISOR

Bank of America.



LEAD ARRANGERS



OTHER UNDERWRITERS

EFG TELESIS FINANCE, ALPHA FINANCE SECURITIES, NATIONAL BANK OF GREECE, INVESTMENT BANK, PIRAEUS BANK, GENERAL BANK OF GREECE, BANK OF ATTICA, MARFIN BANK, PROTON INVESTMENT BANK, BANK OF CYPRUS LTD., OMEGA BANK, HELLENIC BANK LTD.

EFG EUROBANK SECURITIES, NATIONAL SECURITIES, SIGMA SECURITIES, P&K CAPITAL ISC, N.D. DEVLETOGLOU SECURITIES, EUROCORP ISC, ARTION SECURITIES, EGNATIA SECURITIES, PEGASSUS SECURITIES, ASPIS SECURITIES, LAIKI ATTALOS SECURITIES.

ATHENS, July 2003

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1. Important Notes - Investment Risk Factors

Of the information contained in this Offering Memorandum, investors should specifically take into careful consideration the investment risk factors, as well as all other data mentioned below, before making any determination concerning their possible investment in shares of the Company under the trade name “Piraeus Port Authority S.A.” and the style “PPA SA”. The Lead Arrangers assert that the present chapter of the Offering Memorandum describes those risks which, according to their judgement, are capable of affecting materially the results and financial position of the Company, or directly cause variations of the share price, on the basis of the audits they have conducted according to the provisions of Presidential Decree 350/1985, as amended and currently in force, as well as of the data and information made available to them by the Company.

It is further noted that the review of this chapter alone is not sufficient for providing investors with a comprehensive outlook of the Company and is not a sufficient reference for making any investment decision. **As a result, the attention of investors is drawn on the fact that any decision related to a potential investment in the shares offered through this Public Offering should be based on the review of the entirety of the information included in this Offering Memorandum.**

This Offering Memorandum comprises every item included in the model Offering Memorandum, as specified by Presidential Decree 348/1985 and applicable to the case of this Company, as well as all observations and conclusions of the financial audit and legal due diligence effected, which, on the basis of the judgement of the Lead Arrangers, may affect the financial position of the Company, its asset structure, or the fulfilment of the listing requirements applicable to the Company's admission on the Athens Exchange (AE/ASE) and the consequences thereof for the Company. The Lead Arrangers have proceeded to all restatements which are customary and generally acceptable –on the basis of existing practices- to the Company's results and net worth, such as to report the Company's actual financial circumstances, after taking into consideration the findings of the legal due diligence and the remarks of the extraordinary financial and accounting audit.

The Offering Memorandum also contains statements and estimates relating to the future, potential developments to the markets and the Company's results. By reason of the their nature, all such statements and estimates present inherent risks and an element of uncertainty. The actual future results of the Company's operation may differ significantly from the said statements and estimates, due to various risks, including the risks identified in this chapter and elsewhere in the Offering Memorandum, as well as any additional risks that may arise in the future.

It is particularly noted that statements or value judgements of whatever nature made by the Lead Arrangers and presented in this chapter or elsewhere in the Offering Memorandum are neither representations nor recommendations to invest. The Lead Arrangers recommend that the investing public make use of all the data included in this Offering Memorandum in order to make an independent determination as regards the Company.

1.1 Important Notes

The Lead Arrangers certify that the shares of the Company are freely negotiable.

It is also noted that special Law 2688/1999, which governs the organisation and operation of PPA SA, includes a provision (Paragraph 3 of Article 11) which stipulates that, by a joint decision of the Ministers of National Economy, Finance and Merchant Marine, limits may be set in relation to the transfer of shares in PPA SA, per investor, with regard to the percentage of the Company's capital beyond the minimum percentage of 51% that must at all times be owned by the Greek State.

On the basis of the above provision, there can be no assurance that the said joint ministerial decision will not be issued or that limits or restrictions on the transfer of PPA SA shares will not be imposed in the future, even after the Company's admission for listing on the ASE; if any of the above happens, it may impair the status of the Company's shares as freely negotiable.

1.1.1 Background – Transformation into a Société Anonyme

The Piraeus Port Authority was founded as a Legal Entity of Public Law by virtue of Law 4748/1930 that was restated by Compulsory Law 1559/1950, which was ratified by Law 1630/1951, as subsequently amended and supplemented.

PPA SA was created through the transformation of the Legal Entity of Public Law titled "Piraeus Port Authority" (PPA) into a Société Anonyme, which was effected by virtue of Law 2688/1999 (Gov. Gaz. A' 40). Law 2688/1999 incorporates the Company's original Corporate Charter (Article 3), as well as provisions governing the specific institutional framework within which the Company operates, while it also includes provisions of transitional application, relating to pending litigation, labour issues, and issues relating to the social security of the Company's personnel.

The object of the Company, according to Article 3 of its Corporate Charter, includes the administration and operation of Piraeus Port and/or other ports as well. The boundaries of the Piraeus Port area, including the Piraeus Free Zone, are in each case determined by the provisions in force. The land sector of the Piraeus Port area has been localised and positioned in accordance with the relevant administrative normative acts.

Law 2688/1999 was subsequently amended and complemented by the provisions of Article 15 of Law 2881/2001 and Article 35 of Law 2932/2001. Article 15 of Law 2881/2001 initially regulated issues related to the valuation of the assets of PPA SA, as provided by Law 2688/1999, such as the time that the valuation would be conducted, issues regarding the designation of the share capital and the net worth deriving from this valuation, as well as tax related issues regarding net worth (the net worth that would arise as a result of the valuation process would be reported, at a ratio decided by the General Meeting of the Company's Shareholders, partly as share capital and partly as a special tax-free reserve).

The valuation to be conducted according Article 5 of the PPA SA Corporate Charter, which is incorporated in Article 3 of Law 2688/1999 as amended by Law 2881/2001, would include (a) all movable and immovable assets owned by PPA SA as a société anonyme, (b) the value resulting from the rights of use and operation over the lands, buildings and other installations that are owned by the Greek State but of which the right of use and exploitation was granted exclusively to PPA SA as a société anonyme according to the provisions of Law 2688/1999, and (c) all assets and liabilities of PPA SA.

Article 35 of Law 2932/2001 (Gov. Gaz. A' 145) provides for a Concession Agreement (see Chapter 8, Paragraph 8.3) to be entered into by PPA SA and the Greek State, as represented by the Ministers of Finance and Merchant Marine, for the concession of the exclusive right of use and exploitation over the lands, buildings and installations that lie within the land sector of the Piraeus Port area, and for the abolition of indent b of Paragraph 1 of Article 5 of the PPA SA Corporate Charter (Law 2688/1999), as amended by Law 2881/2001, i.e. for the exemption from the valuation of the value resulting from the right of use and exploitation of the lands, buildings and installations that are owned by the Greek State, on which the right of use and exploitation has been transferred exclusively to PPA SA as a société anonyme

In order to value and appraise PPA SA's fixed assets, the Company engaged the valuation consulting firm American Appraisal. The assets of PPA SA were appraised to the amount of € 80,460,748. Subsequently, the final valuation of the PPA SA assets and the designation of its net worth were

conducted (with 31st January 2001 set as the date of reference), by a Valuation Committee formed according to the provisions of Article 9 of Codified Law 2190/1920, as currently in force, having as members Mr. Nikolaos Georgiadis (Chartered Accountant), Mr. Constantinos Ch. Kalogiros (Chartered Accountant), and Mr. Georgios N. Kassimatis (President of the Piraeus Chamber of Commerce and Industry). The Committee report was drafted in pursuance of Joint Ministerial Decision (JMD) no. 773/5.7.2001, issued by the Ministers of National Economy and Merchant Marine, which assigned to the Committee the assessment of the value of all movable and immovable assets owned by PPA SA, as well as of any and all its assets and liabilities, according to Law 2688/1999 and the amendments thereto by virtue of Laws 2881/2001 and 2932/2001. The Net Worth calculated by the Committee amounted to € 118.3 million (total value of Assets: € 243.6 million – total value of Liabilities: € 125.3 million = € 118.3 million), and included the following items which had also been reported on the published financial statements of PPA SA for the accounting period that ended on the 31st of December 2000:

Ordinary reserve	€ 587,000
Reserve of income not subject to tax	€ 4,100,000
Special reserve of income taxed in special way	€ 557,000
Balance of past year earnings, previously taxed	€ 1,800,000

The part of the appraised net worth of PPA SA that had not been reported on the published balance sheet of 31.12.2000, (i.e. net worth € 118.3 million minus a total of € 7 million that corresponds to the items already reported on the balance sheet of 31.12.2000) amounts to € 111.3 million. From that sum, according to the resolution of the Extraordinary General Meeting of 7.8.2001, the amount of € 50 million was designated as share capital of PPA SA, on the basis of the relevant powers granted to the Company (by Article 15 of Law 2881/2001), whereas the balance of € 61.3 million was reported as special tax-free reserve, pursuant to the same Law. It is noted that the amount of € 111.3 million includes the amount of € 35.5 million that constituted the Company's share capital on 31.12.2000, as it stood previously pursuant to the resolution of the General Meeting dated 16.12.1999 on a share capital increase.

The deviations between the appraisals of the fixed assets performed by American Appraisal and the Committee of Article 9 of Codified Law 2190/1920 are due, on the one hand, to the fact that the former appraised the fixed assets as at 31.12.2000 whereas the latter as at 31.1.2001, and on the other hand to the fact that American Appraisal based its appraisal on the depreciating replacement cost, costing approach and market approach methods, whereas the Committee of Article 9 of Codified Law 2190/1920 made use of the residual replacement cost method, which takes into account (in connection with machinery and means of transportation) the accounting values depreciated by specific factors and (in connection with furniture and any other equipment) the current market value.

In parallel to the valuation performed by said Committee, the Company entered into negotiations with the Greek State for the execution of a Concession Agreement, relating to the concession of the exclusive rights of use and exploitation of the lands, buildings and installations that lie within the land sector of the Piraeus Port area. Such Agreement was finalized and signed by the Company and the Ministers of National Economy and Merchant Marine on 13.02.2002, and its initial term was set to 40 years, expiring in 2042.

1.1.2 Differences between the special provisions governing the operation of PPA SA as a Société Anonyme and the corresponding provisions of Law 2190/1920

Even after the Company's admission to the ASE Main Market, its operation as a société anonyme shall continue to be governed by Law 2688/1999, as amended and currently in force, this law being the special institutional framework within which the Company operates, but also by Codified Law 2190/1920, as amended and currently in force, in relation to issues for which no special regulation exists.

The differences between the special provisions governing the operation of PPA SA as a société anonyme, as compared to the provisions of Law 2190/1920 are listed below:

- The Company has been incorporated by virtue of a special Law. This refers both to the incorporation of PPA SA per se, and to the operation of other, otherwise internal functions, such as for example the inventory and valuation of the Company's assets (cf. Article 5 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999, as currently in force).
- The Company operates under the supervision of the Minister of Merchant Marine (Paragraph 1, Article 1, Law 2688/1999), to whom all the Decisions of the Company's bodies are communicated (Paragraph 6, Article 11 of the PPA SA Corporate Charter, as incorporated in Article 3, Law 2688/1999).
- The Company's share capital is subscribed in full by the Greek State, which must at all times own at least 51% of it (Article 6 of the PPA SA Corporate Charter, as incorporated in Article 3, Law 2688/1999).
- The authority to determine the number and nominal value of the PPA SA shares lies in principle with the Board of Directors (Paragraph 2, Article 6 of the PPA SA Corporate Charter, as incorporated in Article 3, Law 2688/1999), subject however to the competence of the General Meeting of Shareholders to resolve on the issue.
- The Company's share capital may be increased pursuant to a resolution of the General Meeting of Shareholders without a corresponding amendment of the Corporate Charter and without a requirement to certify that the increase amount has been paid in, on the condition that the participation of the Greek State is not reduced below 51% (Article 8.7 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).

With regard to the ability to effect share capital increases, the Law Firm which conducted the independent legal due diligence on the Company observes the following:

"The ability of PPA SA to effect share capital increases without a corresponding amendment of the Corporate Charter and without any requirement to certify that the relevant amount has been paid in is legislatively prescribed on the basis of the provisions of Law 2688/1999. The provision in question is not in total agreement with the corresponding provisions of Codified Law 2190/1920, a fact that is noted here although no question arises as far as the approach of the legislator is concerned.

Specifically, with regard to the issue of share capital increases without an amendment of the Corporate Charter, it is observed that the provision of Article 7 of the PPA SA Corporate Charter, as incorporated in Law 2688/1999, is not in conflict with the corresponding provision of Article 13 of Codified Law 2190/1920, which reflects the provision of Article 25, Paragraph 2 of Directive 77/91/EEC on extraordinary share capital increases, i.e. pursuant to a resolution of the Board of Directors, provided a relevant authorisation has been granted by the Corporate Charter, or by a resolution of the General Meeting of Shareholders. The reason for this is that, in contrast to the above provisions, the Corporate Charter of PPA SA refers to increases effected pursuant to a resolution of the General Meeting of Shareholders as such, and not by its authorisation, so that minority shareholders are protected against potential reduction of their participation due to significant increases which they are not in a position to follow (dilution). In view of the above, equally inapplicable is the relevant provision of the aforementioned Directive stipulating the maximum duration of the authorisation to a period of 5 years, which may be renewed, but only on the condition that the increase in question is decided by a body other than the General Meeting of Shareholders. Furthermore, the legality of this special provision is also supported by the following arguments:

(a) the fact that no minority rights are prejudiced, whether ab initio (since no such rights currently exist), or by reason of the proposed offer of a minority of PPA SA shares to investors;

(b) the fact that any minority is protected against potential increases through its participation in the General Meetings of Shareholders, which will be called upon to resolve on possible increases whilst the increased quorum and majority percentages stipulated by Codified Law 2190/1920 will be in effect, and

(c) the fact that the compatibility of such provision with EU Law (with regard to which no issue is detected as arising) can be further investigated incidentally in the future by shareholders fulfilling the requirements set forth by the law, a fact ensuring sufficient protection for such shareholders.

On the basis of the points discussed above, it is deduced that no issue has arisen regarding the compatibility of this provision with EU Law.

Finally, with regard to the issue of the certification of the payment-in of the share capital increase amount, it is noted that the provisions of Codified Law 2190/1920 relevant to the publication of the certification (as annexed by virtue of Presidential Decree 409/1985 and Law 2339/1995) constitute a particularity of Greek national law and represent indeed an indication of exceptional distrust on the part of the Greek legislator as regards the observance of transparency rules by Greek Société anonymes. Actually, the obligation to publish any changes in share capital is described in Article 2, Paragraph 1 (e) of Directive 68/151/EEC as regards companies that have an approved but not paid-in share capital, a case not pertinent in the Greek national law. Consequently, the provisions of Article 11 of Codified Law 2190/1920 on the issue of certification, constitute an excess of the minimum requirements prescribed by the relevant provision of EU Law, and therefore in this case pertain purely to the national law, in connection to which the special provision of Law 2688/1999 prevails.”

- The administrative bodies of the Company include the Board of Directors, the Managing Director and the Management Board (Article 8 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- The composition of the Board of Directors is defined by the law – the same also applies to the procedure followed for the selection of Directors, as well as for the replacement of the same (Article 9 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999, as amended by Law 2932/2001).
- As observed by the law firm that conducted the independent legal due diligence on the Company, paragraph 2 of Article 6 of Law 2414/1996, as in force, provides that: “*the Board of Directors is composed of: (a) two representatives of the Company’s employees, that are elected by direct and global vote pursuant to Article 17, par. 1 of Law 2469/1997 (Government Gazette 38 A’); (b) one representative nominated by the Economic and Social Committee (ESC) and designated in accordance with paragraph 3 of the present article, etc.*”. On the other hand, paragraph 1 of Article 22 of Law 2733/1999 provides in that respect that “*public corporations which have a percentage of their shares ranging from 25% to 49% of their paid-in share capital placed with investors are not subject to the provisions of Law 2414/1996, with the exception of Articles 9 and 10 of the said law. Two representatives of the employees and one representative of the Economic and Social Committee (ESC), each nominated in accordance with paragraphs 2 and 3 of Article 6 of Law 2414/1996, as each time in force, participate in the Boards of Directors of the said corporations. The Managing Director that has been selected in accordance with the provisions of Article 7 of Law 2414/1996 continues to act in such capacity until the lapse of his/her term in office or the termination of his/her agreement for the reasons specified in the management contract.*” Consequently, given that a special provision of law exists, it is appropriate to deduce that the employee representatives and the nominee of the Economic and Social Committee shall continue to act as members of the Company’s Board of

Directors, following listing of its shares on the Athens Exchange.

The Company undertakes to take all such action as is required for the purpose of ensuring that it complies with the requirements of Articles 3, 4, 6, 7, 8 and 11 of Law 3016/2002, as in force, within a period of three months as of admission of its shares to the Athens Exchange.

- Invitations to Board meetings are communicated to Directors three (3) working days prior to the meeting (Article 11, Paragraph 3 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- For the Board of Directors to convene in legal quorum, the presence of at least six (6) of its members is required, including the Chairman and the Managing Director (Article 11, Paragraph 4 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999). Board resolutions are adopted by a majority of present Directors (Article 11, Paragraph 5 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999). Board resolutions are effective upon their adoption, and their registration in the relevant Registry of Companies is not a prerequisite for their validity or force
- Certain competencies are reserved by the Corporate Charter of PPA SA explicitly and directly for the Managing Director (Article 14 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- Despite the fact that an exemption from the obligation to publish an invitation with regard to plenary General Meetings is provided for (Article 19, Paragraph 7 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999), the deliberations of the General Meeting of Shareholders are limited to the items on the agenda (Article 18, Paragraph 6 of the Corporate Charter), which are introduced by the Board of Directors (Article 12, Paragraph 2 (k) of the Corporate Charter), directly or indirectly (following a request made by shareholders), in the latter case only if the convocation of the General Meeting was requested by shareholders representing at least 1/10 of the share capital, according to the stipulations presented herein below.
- The convocation of an Extraordinary General Meeting may be requested by shareholders representing 1/10 of the share capital. In such case, the Board of Directors is obliged to call a meeting within 10 days as of the date that the relevant request was submitted to its Chairman (Article 18, Paragraph 3 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- The General Meeting of Shareholders may convene in places other than the Company's registered offices, following a permission granted by the Ministry of Development and without the permission specified in Article 25 of Codified Law 2190/1920 (Article 8, Paragraph 4 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- The call for a General Meeting of Shareholders is communicated to the Ministries of National Economy, Finance, and Merchant Marine, as well as to the Commercial Division of the competent Prefectural Authority (Paragraph 4, Article 21 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999).
- PPA SA is required to prepare a Strategic Plan and a Business Plan, which are presented to the Ministers of National Economy and Merchant Marine for approval by their joint decision, and then submitted to the Committee of Parliament competent in accordance with the Parliament Regulations (Paragraph 4, Article 19 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999, with the reservation of Articles 20 ff. of Law 2733/1999).

- The inventory, appraisal, valuation and recording of the assets of PPA SA on a balance sheet was effected by a Committee which was formed according to Article 9 of Codified Law 2190/1920, as currently in force, but was appointed, had an appraisal scope and followed a procedure and methodology as stipulated on the basis of a relevant joint decision by the Ministers of National Economy and Merchant Marine, issued in pursuance of Article 5 of the PPA SA Corporate Charter, as incorporated in Article 3 of Law 2688/1999, as amended in turn by Law 2881/2001 and Law 2932/2001.
- Adoption of PPA S.A.'s tariffs shall be a matter for its Board of Directors, in accordance with the relevant provisions of its Articles of Incorporation, which are contained in Law 2688/1999, as in force. Tariff increases may be implemented once per annum. Tariffs, as each time amended, shall be communicated to the Minister of Merchant Marine, in the form each time applicable. As a result, the Company's tariff policy is approved by its Board of Directors and is subsequently notified to the Minister of Merchant Marine.

The Corporate Charter of the Company is incorporated in Article 3 of Law 2688/1999. The provisions of the Company's Corporate Charter are complemented (on the basis of the explicit reference of Paragraph 1 of Article 6 of Law 2688/1999) by the provisions of Codified Law 2190/1920, as currently in force, and of Law 2414/1996, as currently in force. According to the explicit provision of Article 17, Paragraph 2 (a) of the PPA SA Corporate Charter, as incorporated in Law 2688/1999, the General Meeting of Shareholders has the exclusive authority to amend the Corporate Charter of the Company. Consequently, the possibility of a legislative change of the PPA SA Corporate Charter is not an issue that differentiates this case compared to that of any other société anonyme. Legislative changes may affect the operation of the Company indirectly, since in such cases Law 2414/1996 also applies, as currently in force.

1.1.3 Accounting books and financial statements of the Company

According to the chartered auditors – accountants who effected the extraordinary financial–accounting audit for the most recent accounting period (1.1.2002 to 31.12.2002):

“1. It is noted that in our previous reports in our capacity as independent auditors, we had made reference to the significant shortcomings of the Company's internal audit system, the non existence of customer balances and the absence of data for the monitoring of inventory stock. Our review of the financial statements of the Company as of December 31, 2003, revealed that as of November 2002, the Company has installed and implements a system for the monitoring of income and customer accounts and advance payments, while it has compiled a detailed customer ledgre, dated 31.12.2002, which we have audited. In addition to the above, a physical inventory was conducted by the Company's designated statutory auditors and our firm.

2. As mentioned by the Company's designated statutory auditors, the efforts for the enhancement of the Company's internal audit system and the reorganization of its accounts department are proceeding at a satisfactory rate, but need to be intensified and completed, especially as relates procedures, so as to ensure the regular and more efficient operation of the Company. In connection with the assessment of internal audit procedures, we reiterate the fact that, in accordance with the resolution of its Board of Directors dated September 11, 2002, the Company has undertaken to: (a) establish a special Internal Audit department, in accordance with the provisions of Articles 7 and 8 of Law 3016/2002; (b) form a three-member Audit Committee, which shall be composed of non-executive members of its Board of Directors, which shall supervise the Internal Audit Department, in accordance with Article 7, par.2 of Law 3016/2002 (such committee has been formed and its members are: Mr. Spyridon Alexandratos, Mr. Dionyssios Dionyssopoulos and Mrs. Christina Stampoultzis); and (c) has authorized the Chairman of the Board of Directors and Managing Director to take necessary action for the urgent and speedy training of ten internal auditors. The Board of Directors has ratified the regulations of the Internal Audit Department by virtue of its resolution dated February 17. 2003.

3. *One must stress the efforts for the enhancement of the system for monitoring inventory stock and the accounting reporting thereof. However, such efforts need to be intensified and completed, in order to fully ensure the efficient use of stock, their orderly management and full control at any given time.*

4. *As of November 2002, the Company has proceeded to the implementation of a new computerized information system for the monitoring of the accounting circuit of income – customers – collections related to sales (settled in cash or on credit). Such new system has been designed with a view to addressing the requirements of tax legislation and to provide additional information and statistical data for the Company's services and customers. In more detail, the new computerized information system supports the following:*

- Analytical ledger per customer at business unit level (PPA S.A. currently operates 12 business units) and at Company level on the aggregate. The analytical ledger presents all customer transactions (invoicing, advance payments, collections, deferrals and set offs) as required by tax legislation.*
- Analytical ledger for each customer in forced collection at Company level. We remind that, on the basis of its regulations, the Company transfers invoices remaining unpaid for more than 10 days to forced collection customer accounts.*
- Analytical daily ledger of sales on credit for sales on credit and analytical cashier's ledger for sales settled in cash. We note the fact that care has been taken in order to ensure that such ledgers are automatically updated upon the issuance of sales invoices. For the time being, automatic updating is supported only at the Container Terminal business unit (which represents the largest business unit, accounting for more than 70% of the Company's turnover), while at other business units invoices are issued manually and are entered into the computerized system on the following day. PPA S.A.'s general accounting accounts are updated on the basis of the data of the sales and cashier's daily ledgers of the branches at the end of each day.*
- Additional information in connection with the services rendered by PPA S.A. For that purpose, the Company has assigned codes to the different services it provides, such as to collect data per type of service, both at business unit and at Company level.*

5. *On the basis of Law 2688/1999, the Company's law of incorporation, IKA is the pension fund competent for the Company's regular staff as of the date of enactment of the said law. The cost to IKA and IKA – ETEAM arising in connection with the payment of pensions to retired staff of PPA S.A. is borne by the Greek State in its entirety.*

1.1.4 Satisfactory Asset Structure

The Lead Arrangers certify that, with respect to the period between 1.1.2001 and 30.09.2001, i.e. the period prior to the submission of the Company's application for admission to the ASE, for which an accounting statement was compiled and audited by the independent chartered auditor/accountant on behalf of the Lead Arrangers, the Company's asset structure is satisfactory and is in compliance with the requirements of Paragraph 3, Article 3 of Presidential Decree 350/1985, as currently in force.

The Lead Arrangers further certify that the Company's asset structure is satisfactory and meets the criteria of Article 3, par. 3 of Presidential Decree 350/1985, as in force, in relation to company years 2001 and 2002.

The following are specifically noted:

(a) Equity Capital

The Company's equity capital as at 31.12.2000 rose to € 114,606, while the threshold for admission to the Main Market was € 11,739,000. On the basis of the remarks of the Chartered Auditor/Accountant that performed the extraordinary financial and accounting audit and the results of the tax audit, the restated equity capital of the Company as at 31.12.2000 rose to € 105,360. In more detail, the respective figures for the years 2000 – 2002 were as follows:

Amounts in € thousand	2000	2001	2002
Equity Capital	114,606	128,177	139,975
Restated Equity Capital	105,360	114,657	122,456

(b) Leverage/Liquidity Ratios

The financial structure of the Company is underpinned by a favourable debt/equity capital ratio, as well as by a satisfactory ratio of general and current liquidity. The respective ratios for the period were as follows:

	2000(*)	2001	2002
Debt/Equity Capital Κεφάλαια	0.79	0.74	0.69
Debt/Restated Equity Capital	0.90	0.85	0.79
General Liquidity	2.90	2.68	2.34
Current Liquidity	2.81	2.58	2.25

- (*) The first period for which the Company prepared published (statutory) financial statements exceeded twelve months. For ease of comparison, the respective ratios for 2000 have been calculated on the basis of the proforma financial statements for part of such period equal to twelve-months.

In connection with the factors that may affect the Company's operation, please refer to the investment risks section of the Offering Memorandum.

(c) Development of Earnings before Tax

The following table presents the development of earnings for the 2000-2002 period:

(amounts in € thousand)	2000(*)	2001	2002
Earnings before tax	15,124	28,771	30,071
% of change		90.2%	4.5%
Restated earnings before tax	13,422	24,781	25,256
% of change		84.6%	1.9%

- (*) The first period for which the Company prepared published (statutory) financial statements exceeded twelve months. For ease of comparison, the respective ratios for 2000 have been calculated on the basis of the proforma financial statements for part of such period equal to twelve-months.

(d) Return on Investments

The return on investments effected to-date is presented in the financial statements (balance sheet and profit and loss) for the applicable periods. Throughout the periods examined, the return on Equity Capital ranged within satisfactory levels. Specifically, the return on Equity Capital for the period 2000 – 2002 developed as follows:

	2000	2001	2002
Efficiency of average Equity Capital	13.20%	22.45%	21.5%

- (*) For ease of comparison, the respective ratios for 2000 have been calculated on the basis of the proforma financial statements for part of such period equal to twelve-months.

The Company's investment program for the period 2003 – 2007 involves investments which, according to the Company's management, are intended to:

- Enhance efficiency;
- Increase profitability;
- Strengthen the Company's competitive position;
- Upgrade the quality of services provided.

The larger part of the investment program focuses on the Container Terminal. The factors that may affect the Company's operations, whether favourably or adversely, are stated in detail in the "Investment Risk Factors" section of this Information Memorandum.

1.1.5 Fulfilment of the Requirements for Admission to the Athens Exchange

The Lead Arrangers certify that PPA SA fulfils all of the requirements provided for by Presidential Decree 350/1985 as regards the admission of the Company's shares to the Main Market of the Athens Exchange.

Specifically:

- On the basis of the accounting statement for the period between 1.1.2001 and 30.09.2001, the Company holds an equity capital of € 133 million and thus satisfies the relevant minimum equity criterion (of € 11.8 million) set for admission to the Main Market of the Athens Exchange.
- The Lead Arrangers certify that the asset structure of the Company with respect to the financial accounting period that exceeded 12 months (1.6.1999 – 31.12.2000), i.e. the last company year prior to the submission of its request to be admitted to the ASE, as well as for the period from 1.1.2001 to 30.09.2001, i.e. the period prior to the submission of its request to be admitted to the ASE for which an accounting statement had been prepared and was audited by the independent chartered auditor - accountant on behalf of the Lead Arrangers, is satisfactory and in compliance with the requirements of Paragraph 3, Article 3 of Presidential Decree 350/1985, as currently in force.
- It is pointed out that PPA SA, having drafted pro forma financial statements for the years 1998, 1999 and 2000, as well as having published financial statements according to Codified Law 2190/1920 for its first year as a société anonyme, i.e. the accounting period that exceeded 12 months (01-6.1999 – 31.12.2000), and for the 12-month accounting period (01.01.2001 – 31.12.2001), fulfils the requirements for admission as stipulated in Article 10 of Law 2744/1999, as this was amended by Article 10 of Law 2941/2001. In particular, PPA SA was created on the basis of Law 2688/1999, as currently in force, through the transformation of "Piraeus Port Authority", which constituted a Public Organisation, within the meaning of Law 2414/1996, whilst its privatisation is effected according to the provisions of Law 2000/1991, by virtue of the relevant decisions of the Inter-Ministerial Privatisation Committee. Thus, PPA SA falls in principle within the scope of Article 10 of Law 2744/1999, as amended and currently in force. PPA SA has already prepared financial statements as a

société anonyme for the accounting periods that ended on 31 December 2000 (exceeding 12 months), on 31 December 2001 (12-month) and on December 31, 2002 (12-month), which are complemented by the restated (pro forma) financial statements prepared and mentioned herein above. Given that, for purposes of applicability of Article 10 of Law 2744/1999, it suffices to draft pro forma restated financial statements for a period of not more than three years prior to the admission, the Lead Arrangers consider that Article 10 of Law 2744/1999, as currently in force, applies in this case and the requirement of indent 3, section I, Article 3 of Presidential Decree 350/1985 is met; indeed, the requirements of the said article are exceeded, by reason of the preparation of financial statements with respect to the accounting periods that ended on 31 December 2000 (exceeding 12 months) and 31 December 2001 (12-month), as compared to the restated (pro forma) financial statements produced, since the former ensure the requisite level of information for investors.

- The Lead Arrangers certify that the condition of prior tax audit prescribed by Article 3, Section I, paragraph 3(a) of P.D. 350/1985 is met; specifically, the Company has been audited for tax purposes with regard to the entirety of company years for which the Company had published annual financial statements by the time of submission of its application for admission to the Athens Exchange. PPA S.A. has not produced a certificate of tax good standing in the course of the legal due diligence and such fact was duly noted in the relevant report. The non issuance of a certificate of tax good standing is linked to the obligations of PPA S.A. to Municipalities adjacent to the Port area (Perama and Drapetsona Municipalities), which affect the Company's ability to procure the issuance of such certificate as long as they remain outstanding. PPA S.A. has initiated lawful proceedings with a view to seeking judicial recognition of the fact that such contested amounts are not owed and, further, to being ultimately exonerated from the relevant obligations, as described in more detail in the legal due diligence report. Taking into account the quantum of the Company's treasury assets, as well as the fact that the competent Tax Office continues to certify the Company's tax books and records (notwithstanding the non-issuance of a certificate of tax good standing), the Lead Arrangers take the view that PPA S.A. does not face cash sufficiency problems which could prevent the potential satisfaction of the claims asserted by the said Municipalities, should payment be required to be made in order to ensure the Company's continued lawful operation, as well as that the Company's operation would not be interrupted by the non issuance of the said certificate.
- As a Legal Entity of Public Law, Piraeus Port Authority used to be exempted from the obligation to submit income tax returns according to Article 3 of Compulsory Law 1559/1950, which stipulates that Piraeus Port Authority enjoys all privileges, exemptions and immunities enjoyed by the Greek State in all its Public and Private relationships and transactions. In particular, according to indent (g) of the said Article, Piraeus Port Authority is not subject to taxes, duties, fees, contributions, withholdings and charges of any nature in general, existing or future and whether levied in favour of the Greek State, local government organisations or any other third party. The contracts, legal acts and all transactions between the Authority and third parties in general, as well as all documents, receipts, legal deeds, reports and applications of the Authority are not subject to stamp duty. Also, the Authority is not subject to import duties and any ancillary duties, fees, withholdings upon default, or any other sort of charges in favour of the Greek State or other third parties, for any kind of imports of machinery, supplies, and any other sort of material intended for the works and installations of the port, and for the functions, maintenance and operations of the Piraeus Port Authority in general.

Notwithstanding the above, Piraeus Port Authority as a Legal Entity of Public Law was required to withhold and remit to the State income tax on third party income (e.g., particularly salaried employees' income tax), a fact that accounts for the submission on its part of periodical returns of withholding tax which, however, pertained to third-party income.

As regards the Company's tax position, the Law Firm that conducted the independent legal due diligence observes:

“Until 31.5.1999 and while operating as a Legal Entity of Public Law, the Piraeus Port Authority enjoyed all the privileges of the Greek State and was not subject to income taxation. It was however audited for all other taxation to which it was subject...” “...Since its transformation into a Société anonyme on 01.06.1999 the Company was also audited by the Greek National Tax Audit Centre for the fiscal years 2001 – 2002 (financial years 2000 and 2001).”

It is noted, in addition to the above, that the tax audit of PPA S.A. for all matters of taxation related to 2002 was completed in June 2003.

- The financial condition and asset structure of the Company, as well as fulfilment of the requirements applicable to the Company’s admission to the ASE cannot be affected: first, by events which are in progress and are not depicted in the Company’s financial statements published heretofore; second, by any non-quantified observations made by the chartered auditors - accountants; and finally, by possible consequences which may arise from a negative outcome of the pending legal cases in which the Company is involved. The legal due diligence that was performed has no identified any material issue that, from a point of view related to the legal form, the legal operation and the legal status of PPA SA in general, would inhibit the admission of its shares to the Main Market of the Athens Exchange through their offering by the Greek State in its capacity as the sole shareholder.
- No legal matters arose which could affect the financial condition of the Company, other than the matters stated in the Legal Due Diligence Report; restatements have been effected, as deemed appropriate, in connection with such matters.
- The legal status of the Company is in compliance with the laws and regulations to which it is subject, as regards the Company’s establishment and corporate operation.
- No facts or other data were identified which could inhibit, from the legal point of view, the proposed admission of shares of the Company to the Main Market of the Athens Exchange.

In view of the above, and also of Decision no. 21/17.01.2002 of the Inter-Ministerial Privatisation Committee issued in amendment of Decision no. 382/28.7.2000 of the said Committee with regard to the admission of the shares of PPA SA to the Athens Exchange, the requirements for the admission of the shares of the Company to the Main Market of the ASE are met.

This offer involves 6,375,000 existing ordinary registered shares owned by the Greek State, which correspond to 25.5% of the Company’s aggregate outstanding shares. The decision with regard to the sufficiency of the shareholding distribution is issued by the Board of Directors of the Athens Exchange once the Public Offering has been conducted and on the basis of the records to be submitted as required for the approval of the request for the admission of the PPA SA shares to the ASE.

1.1.6 Pending Legal Cases

As regards litigation cases and on the basis of the legal due diligence updating report, it appears that there is a significant number of pending cases of claims under litigation filed against the Company, as well as of claims under litigation filed by PPA SA against third parties; the majority of these cases pertain to the period prior to the transformation of Piraeus Port Authority from a Legal Entity of Public Law to a société anonyme. The independent legal due diligence performed deemed it expedient to request detailed records in relation to all cases involving amounts in litigation in excess of € 44,000. The examined cases pertaining to claims of third parties against PPA SA amount in aggregate to approximately € 88.6 million and represent approximately 95% of the total claims under litigation filed against the Company.

Such lawsuits mainly pertain to cases versus social security funds, the Greek State, local government

organisations and customers or suppliers, as well as various labour claims by employee groups (benefits, overtime payments etc.). According to the legal due diligence report, out of an aggregate reported disputed amount of claims by third parties against the Company of € 88.6 million, a number of cases amounting in aggregate to € 28 million approximately are considered as potentially entailing an uncertain or adverse outcome for the Company.

In accordance with data provided in connection with the times at which pending claims by third parties against the Company arose, it became possible to allocate the provisions established to results of operation and to the Company's net worth, as reported on the Company's financial statements (both statutory and proforma). The effect of such allocation is presented in the following table:

Financial Statements (in € thousand)	Effect on	
	Net Worth	Results
1998 Proforma (1.1.-31.12.1998)	16,015	957
1999 Proforma (1.1.-31.12.1999)	16,547	532
2000 Proforma (1.1.-31.12.2000)	17,935	1,388
2000 Proforma for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2000 Statutory for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2001 Statutory (1.1.2001 – 31.12.2001)	19,033	1,098
2002 Statutory (1.1.2002 – 31.12.2002)	19,323	290

On the basis of the above table, the financial auditor that performed the extraordinary financial audit proposes the positive restatement of the Company's equity capital as reported on its financial statements (both statutory and proforma) for the periods ended on 31.12.1998, 1999, 2000 and 2001, while, as regards results of the respective years (as well as those of financial year 2002) a negative restatement to the extent of amounts related to cases under litigation that have an anticipated adverse or uncertain outcome for the Company and arose in the respective years.

The chartered auditor-accountant who conducted the extraordinary financial and accounting audit observes that:

“After taking into consideration the data that were supplied by the Company's legal advisors in connection with certain cases, as well as the updated assessment that resulted from the independent legal due diligence, it was established that the existing provision of € 19,323 thousand is sufficient to cover potential losses that may arise from pending litigation cases.”

In connection with the sufficiency of the provision of € 19,323,000 already established in the Company's books in relation to claims in litigation potentially having an unpredictable or adverse outcome for the Company (involving an aggregate amount in litigation of € 28 million, on the basis of the legal due diligence performed), the Lead Arrangers adopt the above-stated opinion of the independent financial auditor and have not effected any restatements in connection with the difference of € 8.7 million (28 – 19.3).

More detailed information on pending legal cases is presented in the Legal Due Diligence section.

1.1.7 Significant contribution of an individual business unit to the turnover

The largest share of the income earned by PPA SA is derived from the provision of stevedoring, storage, acceptance and delivery services, which, compared to the Company's total income, represent a contribution by a percentage of 72% and 80.7% for company years 2001 and 2002, respectively.

The key factors that may affect this business unit of the Company are, inter alia, the following:

- A. Deregulation of the stevedoring services market.
- B. Dependence on large customer accounts.
- C. Changes to the container transshipment markets, locally (within the Mediterranean) as well as globally.
- D. Competition with other ports of the Mediterranean in the transshipment sector.
- E. Adverse developments in the competitiveness of the Greek economy and the terms of trade.
(more information may be found in the relevant Chapter of this Offering Memorandum).

1.1.8 Representations by the Lead Arrangers

The Lead Arrangers represent that:

- On the basis of the fact that this Offering Memorandum includes all of the observations and reservations of the chartered auditor - accountant who effected the extraordinary financial and accounting audit, as well as those of the Law Firm that performed the legal due diligence on the Company, the Lead Arrangers represent that this Offering Memorandum includes all information necessary for an assessment of the property, financial status, results and prospects of the Company by investors and their investment advisors.

On the basis of a letter of undertaking issued by the Company's management on January 20, 2003, and relating to the establishment of an Internal Audit Department, whereby the Company's management has undertaken to inform the Lead Arrangers on the progress for the establishment of such department, the Lead Arrangers undertake to inform the Athens Exchange and the Hellenic Capital Markets Commission for such progress, on the basis of the information to be provided by the Company.

- The published (statutory) financial statements for the 2000 period that exceeded 12 months present the Company's actual asset structure as at December 31, 2000, after one takes into consideration: (i) the findings reported in the Legal Due Diligence Report; (ii) the remarks and reservations of the Extraordinary Financial Audit; and (iii) the relevant restatements to the Company's financial figures that were effected on the basis of the above remarks and reservations, with a view to applying the principles of conservative accounting reporting.

In addition, based on the respective reports of the independent Financial – Accounting Auditor, the Lead Arrangers verify that:

«As of November 2002, the Company has proceeded to the installation of and operates a new data processing system, which has been designed to meet the requirements of tax legislation (Code of Books and Records, Analytical Accounting, Revenues, etc.).

The Financial Statements for the period ended 31.12.2002 do not contain notes on the material shortcomings of the internal audit system and on the individual items of the balance sheet (customers, advance payments, inventory stock) to which reference was made in the respective reports for the periods 2000 and 2001.»

In addition, the Lead Arrangers represent that:

- a) The Announcement – Invitation to the investing public will include the P/E ratio of the Company calculated on the basis of the published records for the financial years 2002 and 2001 and shall describe the procedure for the determination of the offer price range.
- b) The Announcement – Invitation to the investing public will include a special reference to the

individuals entitled to participate in the distribution, in relation to the stipulations provided by Resolution no. 25 of the ASE Board of Directors. Specifically, the stipulations provided by Resolution no. 25 of the ASE Board of Directors shall be adhered to, which provide that the shares held by members of the Board of Directors and senior managers of the Company, or by their respective spouses and first degree relatives, as well as by affiliates of the Company, within the meaning of Article 42 (e) of Codified Law 2190/1920, are not taken into account for the determination of the sufficiency of minimum shareholding distribution.

1.2 Investment Risk Factors

1.1.1 Company-related Risks

Deregulation of the stevedoring services market

The existing institutional framework that governs the operation of PPA SA (primarily Law 2688/1999, in conjunction with Article 3 of Legislative Decree 449/1970) grants to PPA SA the exclusive competence to conduct loading/unloading business within the Piraeus Port area. The absence of direct competitive pressure on the operation of PPA SA constitutes a significant advantage for the continuity of profitability. The monopoly nature of the right to provide stevedoring services within the Piraeus Port area, conceded by law, may be restricted in the case of deregulation of that particular sector of services. At the time of compilation of the present Offering Memorandum, the European Commission had initiated procedures for the preparation of a Draft EU Directive with respect to the deregulation of the provision of certain port services and the institution of a right of enterprises based in other Member States of the European Union and the European Economic Area to freely establish business activities with a view to providing such services.

The Company's management estimates that the advocated deregulation process will provide for the dissociation of the management of the port infrastructure from the provision of port services and for the independent financial management of these two sectors, and will guarantee the access by selected interested third parties to the port infrastructure, subject to objective and commercially reasonable terms. However, it is expected that a period of at least two years shall be required for the finalisation of the Directive on the basis of the Draft under formulation, while the subsequent transposition of any final legal text into Greek national legislation shall require a considerable period of time. In view of all the above, the potential impact of a respective resolution of the European Commission has been reduced to some extent by way of the Concession Agreement already executed, whereby PPA SA is endowed with the authority to act as the competent agent for the concession of the right to provide stevedoring services to third parties. However, the potential liberalization of the relevant market may impair the Company's financial results.

Variability of the Company's income

The income of PPA SA is mainly derived from:

- The provision of stevedoring services, especially at the Container Terminal, and the handling of vehicle cargo at the Car Terminal;
- the provision of port services (e.g. mooring, berthing of ships, supply of docks for the docking of ships, etc.); and
- services provided to cruise-ships and their passengers.

All other activities, related to conventional cargo handling, coastal navigation, and repair of vessels do not represent a major contribution to the Company's turnover.

The aforementioned main activities of PPA SA are characterised by high variability and depend on the

effects of external factors. Any material change to the container, cars and cruise markets in the Mediterranean sea or at global level, as well as to the wider economic and political environment, such as a deterioration of the competitiveness of the Greek economy or the conditions of trade, any conflicts of war or terrorist action, as well as changes specific to technology related to ships and to the procedures applicable to the provision of stevedoring services may adversely affect the Company's turnover and results of operations.

A considerable part of the Company's turnover is derived from the provision of cargo stevedoring – storage – handling services

The income from the provision of cargo stevedoring, storage and handling services represent 72% and 80.7% of the Company's turnover for the 2001 and 2002 company years, respectively.

The determining factors that may affect this business unit of the Company include the following:

- Deregulation of the stevedoring services market;
- Changes to the container markets, locally (within the Mediterranean) as well as globally;
- Competition with other ports of the Mediterranean in the transshipment sector;
- Adverse developments in the competitiveness of the Greek economy deterioration of the country's terms of international trade;
- Reduction of global commercial and transport activity which may result from the overall global economic conditions, from world political or military developments of other factors.

Any adverse changes to the above factors or any other factors that affect the provision of cargo stevedoring, storage and handling services may adversely affect the Company's turnover and results of operation.

A considerable percentage of the Company's turnover is generated by a single customer

PPA S.A.'s income from the provision of services to Mediterranean Shipping Co. SA (MSC¹) represented 21.1% of the Company's turnover in 2001.

According to the Company's management, MSC² is the sole customer of PPA S.A. with a contribution of more than 10% in the Company's annual turnover.

In the event the Company's relationship with MSC is terminated or disrupted, the Company's financial results may be adversely affected.

Sufficiency of Internal Audit and Accounting & Information Technology Systems

As indicated by to the chartered auditor – accountant who effected the extraordinary financial and accounting audit for the most recent accounting period between 1.1.2002 – 31.12.2002:

“Our review of the financial statements of the Company as of December 31, 2002, revealed that as of November 2002, the Company has installed and implements a system for the monitoring of income and customer accounts and advance payments, while it has compiled a detailed customer ledger, dated 31.12.2002.

¹ The financial data on MSC are derived from the utilisation of non-accounting data drawn from the information system of the Company

² See above.

As mentioned by the Company's designated statutory auditors, the efforts for the enhancement of the Company's internal audit system and the reorganization of its accounts department are proceeding at a satisfactory rate, but need to be intensified and completed, especially as relates procedures, so as to ensure the regular and more efficient operation of the Company.

In connection with the assessment of internal audit procedures, we reiterate the fact that, in accordance with the resolution of its Board of Directors dated September 11, 2002, the Company has undertaken to: (a) establish a special Internal Audit department, in accordance with the provisions of Articles 7 and 8 of Law 3016/2002; (b) form a three-member Audit Committee, which shall be composed of non-executive members of its Board of Directors, which shall supervise the Internal Audit Department, in accordance with Article 7, par.2 of Law 3016/2002 (such committee has been formed and its members are: Mr. Spyridon Alexandratos, Mr. Dionyssios Dionyssopoulos and Mrs. Christina Stampoultzis); and (c) has authorized the Chairman of the Board of Directors and Managing Director to take necessary action for the urgent and speedy training of ten internal auditors. The Board of Directors has ratified the regulations of the Internal Audit Department by virtue of its resolution dated February 17, 2003."

The Company confirms that it has taken the following action:

“

- By virtue of its resolution no. 47/17-02-2003, the Board of Directors of PPA S.A. ratified the Operating Regulations of the Internal Audit Department.
- 45 Company employees received training, in cooperation with the Internal Audit Institute; such employees shall staff the newly-established Internal Audit Department.
- In any event, the Company undertakes to operate an organized internal audit department, as provided for by Article 11 of Law 3016/2002, within three months as of admission of its shares on the Athens Stock Exchange.”

In addition, the Company undertakes that, as of its admission to the Athens Exchange, it will engage a person directing the Internal Audit department, having appropriate credentials and sufficient experience, in accordance with Article 12 of Decision 5/204/2000 of the Capital Markets Commission.

In connection with the Company's Internal Audit system, the Company undertakes to establish a reliable Internal Audit System; with the assistance of the Lead Arrangers, such Internal Audit system will be certified by the Company's designated chartered auditor – accountant.

In addition, the Company undertakes to inform accordingly the Athens Exchange, investors and the Capital Markets Commission.

Insurance coverage of PPA SA fixed assets - Terrorist Acts – Natural Disasters

PPA S.A. engages in the provision of services that serve the State and a significant number of other parties, at numerous sites.

In the past, such activities and sites of such nature have been the targets of terrorist action. As access to the sites of PPA S.A. cannot be controlled, the possibility of terrorist action within the site of PPA S.A. cannot be excluded; such action may entail materially adverse consequences for the Company.

In addition, certain assets of PPA S.A. have suffered damage in the past by reason of earthquakes. One

cannot exclude the possibility of other future damage to the Company's assets by natural disasters, such as earthquakes, floods, etc.

The Lead Arrangers observe that apart from the insurance contracts mentioned in the relevant section of this Offering Memorandum, no other fire and associated risks insurance coverage of PPA SA's fixed assets exists. The Company has launched a tender process for the insurance coverage of its operations critical infrastructure.

In the event of destruction of all or certain of the Company's assets by fire, lightning, storm, hail or earthquake, the Company's operation and results may be adversely affected.

Participation in Joint Venture at the stage of Winding-Up

The Company participates in the joint venture styled "Greek Coastal Navigation 2000", together with "Minoan Lines", "Strintzis Lines", "NEL", "SIRENE CLUB", "ANEK", etc.; such joint venture is at the stage of voluntary liquidation. Until full winding-up of the joint venture, the Company is jointly and severally liable vis-à-vis third parties for any liability of the joint venture that may arise, either of a tax nature or otherwise relating to the joint venture's operation. For more information, please refer to Chapter 7.9.

General Staff Regulation

The Company's General Staff Regulation, which has been the result of negotiations between the Company's management and employees has not become effective. The said regulation acquires normative effect once ratified by the State.

In accordance with the Company's management:

"The General Staff Regulation has been compiled and incorporates the comments made by the Ministry of Domestic Affairs, Public Administration and Decentralization on the respective regulation of the Thessaloniki Port Authority. The said Regulation will then be introduced to the Company's Board of Directors for approval."

Specifically, the General Staff regulation of PPA SA will govern the following issues in particular: i) Categories of the personnel and distinctions of those, ii) required qualifications for the hiring of personnel, procedure for it, and drafting of the labour agreement, iii) staff registries, iv) service council and sanitary committees, v) obligations and rights of the personnel, vi) disciplinary offences and penalties, vii) working hours and leaves, viii) staff training, ix) working terms, x) wages and benefits, xi) staff movements, transfers and secondment, xii) termination of the labour agreement, xiii) hygiene and security of the employees and the workplace, xiv) personnel evaluation.

Compliance of the Company with the provisions of Law 3016/2002

The Company has not adopted an Internal Organization and Operations Regulation, as it is obligated to do under the provisions of Law 3016/2002. According to Law 3016/2002, PPA S.A. must fully comply with its provisions within three months as of admission of its shares to the Athens Exchange. Potential non compliance by the Company may result in the imposition of fines, which could affect the Company's profitability.

The Company undertakes to take all action required to ensure that it complies with the provisions of Articles 3, 4, 6, 7, 8 and 11 of Law 3016/2002, as in force, within a period of three months as of admission of its shares to the Athens Exchange.

Concession Agreement

PPA SA operates within Piraeus Port. Despite the competence granted to it by its Corporate Charter with respect to the use and operation of other ports as well, the current activities of PPA SA focus on its currently existing facilities. These facilities (lands, buildings and other installations) are owned by the Greek State and the use and exploitation thereof has been conceded to the Company, by virtue of the Concession Agreement that was signed on 13.2.2002 by the Ministers of National Economy and Merchant Marine on behalf of the Greek State, and by the Company. The right of use and exploitation guaranteed through the Concession Agreement, as well as certain particular terms thereof, may have a considerable effect on the operation of the Company, being a potential source of investment risks.

1. Area of Business Activities – Expiry or Termination of the Concession Agreement

PPA SA is crucially dependent on securing the sea and land areas and facilities required in order to provide its services. As a result, the expiry of the Concession Agreement in case of the lapse of its contractual term (the initial one, i.e. of the 40 years ending in 2042, or an extended one), as well as a potential termination of the agreement, shall make imperative the need for immediately securing an alternative, already appropriately structured port for relocation and resumption of business activities. Securing the location of an alternative port may not be feasible, or the alternative port may not be appropriately structured, or its physical dimensions may be insufficient, or it could be less privileged with respect to its location, freight flow, accesses or port infrastructure. If this is the case, transition of business activities within that port and its productive operation may not be equally profitable.

Furthermore, the relocation process, in case it is feasible, requires a considerable amount of time to be completed, and therefore it is estimated that the activities connected to the provision of port services could be disrupted or carried out only partially, or even altogether suspended temporarily. In case an alternative port can not be found, it is possible that the object of the Company will be definitively annulled.

2. Termination of the Concession Agreement by the Greek State

The Greek State has the right to unilaterally terminate the Concession Agreement in case of material breach by PPA SA of the terms of the Concession Agreement. In such a case, the issues with regard to the relocation process apply to the same extent as described in the previous paragraph.

3. Right of the Greek State to Intervene

The Greek State has reserved the option to make use of its intervention right and thus temporarily take over the management of Piraeus Port in extraordinary circumstances, which pertain particularly to cases where the security of the port's users is compromised or to reasons related to the protection of public interest or national security. The intervention right is determined as far as its requirements and its duration are concerned, but may, if exercised and for the justifiable term of its exercise, affect the management of the Company on the basis of commercially sound criteria.

4. Complete Range of Services

PPA SA is obligated according to the Concession Agreement to provide a full range of services to users, as appropriate for a modern international port. Such services include the mooring of ships, the provision of cargo stevedoring and storage and to the servicing of passenger traffic. This obligation may force PPA SA to continue its engagement in certain activities that are not equally profitable with others or possibly even loss-incurring, for the purposes of safeguarding the public interest.

5. Maintenance

The Concession Agreement requires PPA SA to assume the responsibility and the costs of a preventive periodical maintenance of the conceded lands, buildings and installations. Despite the fact that this responsibility was also assumed by PPA SA in the past, an increase in maintenance costs may affect the financial results of PPA SA. It is noted that PPA SA has not entered upon a contract for the procurement of long-term maintenance services against a lump-sum fee, and thus an unforeseeable change of this aggregate cost is possible.

6. Tariff Policy

According to the stipulations of the Concession Agreement the approval of the rates charged for the provision of services of PPA SA is a matter for the Board of Directors of PPA SA, according to the stipulations of its Corporate Charter, as this is incorporated in Law 2688/1999, as currently in force. Rate increases may be applied once per year and must be communicated, in the form each time in effect, to the Minister of Merchant Marine. As a result, the Company may not have the flexibility to revise its tariffs on the basis of the competitive conditions prevailing in the market.

7. Investments

PPA S.A. has the right of use and exploitation of areas and real property that are owned by the Greek State. PPA S.A. may need to make investments on such assets in order to be in a position to provide its services and to implement its strategic plan for growth. It is not certain whether PPA S.A. will be in a position to procure the licenses and permits that are required in order to proceed to such investments. Any difficulty in obtaining licenses or permits could potentially inhibit PPA S.A. from developing and could result in a competitive disadvantage. In the event PPA S.A. actually proceeds to such investments, ownership thereof shall remain with the Greek State.

Competition

Competing ports located in Greece or abroad or competition coming from other bodies that may, now or in the future, provide comparable services, may reduce the Company's market share, now or in the future, across all categories of customers. In addition, the development of new ports in Greece or abroad, as well as the enhancement of infrastructure of existing ports may reduce the Company's market share in relation to passenger traffic or other services or result in the reduction of tariffs offered by PPA S.A. for various services; even if other competing ports fail to attract a considerable market share from the Company' the fact alone that competing ports operate may adversely affect the price of the Company's shares.

The Company's relationship with the State affects significantly the Company's operation and may continue to affect it.

Following the completion of the present offering, the Greek State shall continue to control directly at least 74.5% of the Company's share capital and shall continue to be entitled to designate the Company's Chairman and its Managing Director.

The Greek State shall exercise its rights in its capacity as shareholder on the basis of the procedure prescribed by Greek corporate law and the provisions of the Company's Articles of Incorporation.

In addition to the above, the Greek State directly appoints five (5) members of the Board of Directors, including the Chairman and the Managing Director and is indirectly capable of appointing an additional two members, as representatives of the shareholders, through the General Meeting of shareholders, in its capacity as majority shareholder. It is noted that the Company's Board of Directors is composed of 11 members, in accordance with section 9 of the Company's Board of Directors, as amended by Article 31 of Law 2932/2001.

The Greek State's majority participation in the Company enables it to affect certain of the functions of PPA S.A. and to cause certain of its business decisions to be made on the basis of consideration other than those of a purely business nature.

The interests of the Greek State, which may act through the Ministry of Economy and Finance and/or the Ministry of Merchant Marine, may not always coincide with the Company's position or that of its Board of Directors; the Board of Directors of the Company may not always be composed of members implementing the Company's strategy as described in this Offering Memorandum.

The Company expects that, in the immediate future, it will be in a position to adhere to the current strategy, which is business-driven. However, it is possible that Company's business initiatives and policies may be discontinued in the event of potential changes to government policy, due to elections or other reasons.

PPA S.A. is subject to certain laws and regulations applicable to public sector companies in general

Provided that the Greek State, as major shareholder, shall continue to own shares in the Company representing at least 51% of its share capital, PPA S.A. shall continue to qualify as a public sector company, for certain purposes. As a result, the Company's operations shall continue to be subject to laws and provisions applicable to public sector companies in Greece that govern certain procedures, including, but not being limited to, those related to the recruitment, severance and compensation of staff, rules governing procurement, including those of EU origin (in connection with the award of works, services and procurement contracts that exceed certain quantitative thresholds), which may be more time-consuming than those applicable to private sector companies. Such rules and regulations do not apply to other competitors of the Company and may affect its operating flexibility.

Environmental Issues

The facilities of PPA S.A. are used to provide services to ships and passengers, which may result in the contamination of the marine environment. In the event of significant contamination problems, PPA S.A. may be required to undertake environmental enhancements or to indemnify third parties, which may entail considerable costs and, therefore, affect the Company's financial standing.

Labour Disputes

A large proportion of PPA S.A.'s workforce participates in a single labour union. In the past, such labour union has successfully organized strikes and labour force mobilization. Such strikes and/or other mobilization may be repeated in the future and cause the Company's operations to be interrupted and further result in adverse effects to the Company's turnover or claims for damages being brought against PPA S.A. by customers and loss of customers that may migrate to competitive ports for covering their needs.

Interruption of the Company's operations

The operation of certain of the Company's facilities has been interrupted in the past due to labour accidents. One cannot exclude the possibility of other future interruptions, attributable to such or other reasons. A potential interruption of the Company's operations may result in the reduction of the Company's turnover and profitability and give rise to claims for damages by customers or other parties that may establish a legal interest.

The Company's operation relies on the experience and capabilities of the members of its key management.

The management and operation of PPA S.A. relies on members of its senior management and key officers. Termination of the services of any of the above persons could adversely affect the Company's operation, its financial position and its operating results.

Undertakings related to works for the 2004 Olympic Games

PPA S.A. has undertaken specific obligations for the upgrading of its infrastructure and services in view of the 2004 Olympic Games. It is not certain whether the Company will be in a position to perform its obligations and, if it does, it is not certain whether other operations of PPA S.A. will be interrupted. On the basis of the findings of the legal due diligence, no penalties or other sanctions have been expressly provided in case of a failure by PPA S.A. to implement its Olympic projects. For more information, please refer to Chapter 7.9.

1.1.2 Risks related to the share price

(i) The share price may demonstrate fluctuation

Prior to this offering of shares of PPA SA to the ASE the Company's shares have not been quoted in any other stock exchange. Notwithstanding the fact that the Lead Arrangers will take necessary action in order to achieve admission of the Company's shares to the Main Market of the Athens Exchange, there can be no assurance that admission will be achieved. Although the shares are to be admitted to the ASE for trading, there can be no assurance that an interest in buying the shares of the Company will exist or be maintained after the offering. The variation of the market price of the Company's shares on the ASE may be affected by circumstantial or other external factors that have no substantial relation with the Company's business activities and the results thereof. Such factors include, but are not limited to, the general financial conditions prevailing in the financial and capital markets, events that affect the customers of the Company, the market within which it operates, or the entire sector of port services and of shipment in general. Investors should be aware of the fact that the price of the Company's share may be subject to and may demonstrate material fluctuations in the course of trading. There may be no assurance to investors that the value of their investment will not be subject to capital impairment.

(ii) Hellenic Republic Privatization Certificates may affect the market for the shares

Shares in PPA S.A. will be made available to participants in the Public Offering (institutional and retail investors) that are holders of Hellenic Republic privatization certificates (denominated in drachmas or in Euro) at a 5% discount on the sale price. At least 40% of the shares offered through the Public Offering will be made available by way of priority to investors who are bearers of Hellenic Republic privatization certificates, provided there will be sufficient demand. The more favourable acquisition price applicable to holders of Hellenic Republic privatization certificates may result in the increased supply of shares during the initial days of trading and, therefore, also lead to a drop in the market price of the shares.

(iii) Possibility for the offer of shares by the Greek State

Following the present offering of shares, the Greek State shall continue to own approximately 74.5% of shares in PPA S.A. The Greek State may proceed to a further reduction of its shareholding interest in PPA S.A., by way of a public offering of shares or otherwise. The Greek State is not bound by the provisions of Law 3049/2002, which sets restrictions applicable to the sale by major shareholders of shares in companies listed on the Athens Exchange, during the initial two-year period as of their admission. Any new offer of shares, as well as any rumours of a proposed sale may materially affect the trading price of the shares.

Subject to the retention incentive extended to non-institutional investors, the Greek State, in its capacity as majority shareholder, has notified the Lead Arrangers by a letter dated 04.07.2003, that it does not intend to sell any shares of PPA S.A., directly or indirectly, through the Public Securities Corporation (DEKA), for a period of six (6) months as of the transfer to investors of the shares offered.

2. Summary Presentation of the Offering

OFFERING OF EXISTING SHARES OF PIRAEUS PORT AUTHORITY (PPA) SA OWNED BY THE GREEK STATE

NUMBER OF EXISTING SHARES	25,000,000	ordinary registered
Sale of Existing Shares Owned by the Greek State		
- by Public Offering	6,072,000	ordinary registered
- by Private Placement	303,000	ordinary registered
TOTAL SHARES TO BE OFFERED	6,375,000	ordinary registered
TOTAL SHARES TO BE ADMITTED TO THE ATHENS EXCHANGE:	25,000,000	
Share Nominal Value	€ 2	

The offer price for the shares will be determined following the procedure presented in Chapter 5, titled “The Procedure of Placement of Existing Shares”, and will be in accordance to the provisions of Article 4 of Presidential Decree 348/1985, as currently in force.

Trading Unit in the Athens Exchange (ASE) Multiple of 10 shares
 New shareholders are entitled to dividends starting from the year 2003.

Advisor: Bank of America NA

Lead Arrangers: EFG Eurobank Ergasias SA, Agricultural Bank of Greece SA

Underwriters: EFG TELESIS FINANCE, ALPHA FINANCE SECURITIES, NATIONAL BANK OF GREECE, INVESTMENT BANK, PIRAEUS BANK, GENERAL BANK OF GREECE, BANK OF ATTICA, MARFIN BANK, PROTON INVESTMENT BANK, BANK OF CYPRUS LTD., OMEGA BANK, HELLENIC BANK LTD, EFG EUROBANK SECURITIES, NATIONAL SECURITIES, SIGMA SECURITIES, P&K CAPITAL ISC, N.D. DEVLETGLOU SECURITIES, EUROCORP ISC, ARTION SECURITIES, EGNATIA SECURITIES, PEGASSUS SECURITIES, ASPIS SECURITIES, LAIKI ATTALOS SECURITIES.

Notes:

- (1) The structure of this offering that relates to existing shares owned by the Greek State (hereinafter the “Selling Shareholder”) and the terms applicable to placement of the shares are in conformity with resolutions no. 21/17.01.2002 and 29/07.07.2003 of the Inter-Ministerial Privatizations Committee.
- (2) The entirety of the shares to be offered are owned by the Greek State.
- (3) In the course of placement of the shares offered, institutional and retail investors that are holders of Euro-denominated Hellenic Republic privatization certificates 1998-2003 and Hellenic Republic privatization certificates 2001 – 2004 and will exchange their privatization certificates for shares of PPA S.A., shall be entitled to a discount of 5% over the offering price of the shares (see sections 5.2 :”Offer Price” and 5.3.4: “Offering of Shares to holders of Privatization Certificates”).
- (4) The Selling Shareholder will distribute to each retail (non institutional) investor that will acquire shares through the public offering, one (1) free share of the Company for every ten (10) shares retained for a period of six (6) months as of the date of registration of the initial transfer of shares with the Central Securities Depository, up to the maximum number of two hundred (200) free shares per investor.
- (5) The shares to be offered through the Private Placement and representing 1.21% of the Company’s share capital shall be made available exclusively to employees of the Company, at a reduction of 20% on the offer price that will be established through the public offering. In the event the Company’s employees do not take up the entirety of shares of their allotment, the balance of shares not taken up shall be transferred to the public offering. Employees that will acquire shares through the private placement are restricted from transferring such shares for a period of six (6) months as of registration of the initial transfer with the Central Securities Depository. It is noted that the Company’s employees may participate in the public offering, on the same terms as applicable to other investors.
- (6) The liability of the Lead Arrangers, that have countersigned the present Offering Memorandum, is limited to the liability provided under Article 3 (a) of Presidential Decree 350/1985 and under the Underwriting Regulations, as currently in force. The Lead Arrangers, as well as the other Underwriters are under an obligation to purchase any shares offered through the Public Offering for which no interest expressed.
- (7) In the event the shares offered by the Public Offering are not taken up by investors in their entirety, the Lead Arrangers will submit to the Board of Directors of the ASE a petition for the approval of the admission of the Company’s shares, according to the stipulations of indent 4 of Paragraph II of Article 3 of Presidential Decree 350/1985, with regard to the sufficiency of shareholding distribution. Such approval is subject to the discretion of the ASE Board of Directors.
- (8) It is noted that the Greek State which offers its shares to the investing public bears, as seller of such shares, the full responsibility vis-à-vis the buyers for legal and material defects or the absence of agreed qualities of the shares being sold, according to the provisions of Articles 514 and 534 ff. of the Greek Civil Code.
- (9) For the purpose of exercise of rights of bearers of Hellenic Republic Privatization Certificates due 2003, which have been listed on the Luxemburg Stock Exchange, to exchange the same for shares of PPA S.A., an offering memorandum in English has been prepared (not submitted to the Capital Markets Commission for approval), which provides equivalent information to investors.

3. Summary financial aggregates of PPA S.A.

It is noted that, until April 30, 1999, Piraeus Port Authority operated in the form of a non-profit Legal Entity of Public Law and was not obligated to keep the books of account prescribed by the Code of Books and Records. Its obligations consisted in the issuance, submission and retention of certain tax records, in cases specifically prescribed by the said code. The accounting model implemented by the Piraeus Port Authority under such legal form was not consistent with the National General Accounting Model and the assembly of accounts applicable thereunder, although the content and level of detail of each account was as described under the Public Accounting Model. The Company continued to apply the Public Accounting Model during the period 1.5.1999 – 31.5.1999.

The restated pro forma financial statements of PPA S.A. for the years 1998, 1999 and 2000 were prepared by the Company in co-operation with the consulting firm KPMG Kyriakou Chartered Auditors S.A., on the basis of the available accounting and non-accounting data, discussions with the competent parties, and on the basis of certain assumptions. The reasonableness of such assumptions was audited by the Chartered Auditor – Accountant who performed the extraordinary financial and accounting due diligence and no “significant exception” was ascertained.

The presentation of the proforma financial statements provides comparable data as regards the 1998 – 2000 three-year period, given that such statements have been compiled on the basis of the same assumptions. The proforma financial statements have been prepared taking into account the valuation carried out by the Article 9 Committee. The valuation by the Article 9 Committee is included in the annual statutory published financial statements for the years 2001 and 2002.

It is noted that the company year of PPA S.A. ends on December 31 of each year, with the exception of the first company year, which included a period of over 12 months, namely the period 1.6.1999 – 31.12.2000. Such first company year does not include the valuation of the Article 9 Committee, which was effected with January 31, 2001 as the reference date.

3.1 Summary pro forma financial aggregates 1998 – 2000

The following table presents in summary the financial aggregates of the Company for the period 1998 - 2002

PROFIT AND LOSS DATA					
	1998 ⁽¹⁾	1999 ⁽¹⁾	2000 ⁽¹⁾	2001	2002
(in € thousand)	Pro- forma	Pro- forma	Pro- forma		
Turnover	106,580	108,562	120,746	117,384	130,846
Gross Profit (before depreciation) ⁽²⁾	45,312	43,633	43,540	36,610	36,992
Plus: Other Operating Income	5,600	6,091	6,308	7,409	8,847
Total	50,913	49,723	49,848	44,019	45,839
Operating Income (before depreciation)	41,104	39,329	37,488	32,195	33,036
Extraordinary Income	(8,350)	(8,314)	(18,573)	(1,352)	1,299
Profits before Interest, Amortization and Tax	32,754	31,014	18,915	30,843	34,335
Profits before Depreciation and Tax	30,061	31,333	21,085	33,971	36,244
Depreciation	2,902	3,558	5,962	5,200	6,173
Profit before Tax	27,158	27,775	15,124	28,772	30,071
Profit after Tax for the year and Board of Directors fees	27,158	27,775	10,450	17,954	19,388
Profits after Tax for the year, Board of Directors fees and taxes following tax audit of past years	27,158	27,775	10,450	14,179	17,026
Total Dividend	0	0	3,815	4,842	6,000
Weighted average number of shares ⁽³⁾	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
RESTATED PROFITS					
Profits before Tax	26,201	27,243	13,422	24,781	25,256
Profits before Tax for the year and Board of Directors fees	26,201	27,243	8,748	13,964	14,573
Profits before taxed for the year, Board of Directors fees and taxes following tax audit, allocated to pertinent period	26,201	27,243	4,973	12,375	13,800
DATA PER SHARE					
Profits before Depreciation and Taxes	1.20	1.25	0.84	1.36	1.45
Profits before Taxes	1.09	1.11	0.60	1.15	1.20
Profits after taxes for the year and Board of Directors fees	1.09	1.11	0.42	0.72	0.68
Dividend per share	0.00	0.00	0.15	0.19	0.24
RESTATED FIGURES PER SHARE					
Profits before Taxes	1.05	1.09	0.54	0.99	1.01
Profits after Taxes for the year and Board of Directors fees	1.05	1.09	0.35	0.56	0.58
Profits after Taxes for the year, Board of Directors fees and taxes following tax audit, allocated to pertinent period	1.05	1.09	0.20	0.49	0.55

Note: Any divergence in sums is due to the rounding of individual amounts.

⁽¹⁾ The Company operated as a Legal Entity of Public Law on 30.04.1999. The Company completed its first company year as a corporation on 31.12.2000. The first accounting period of the Company exceeded twelve months. The periods 1998 – 2000 are reported on the basis of pro forma financial statements.

⁽²⁾ The Company operated as a Legal Entity of Public Law on 30.04.1999. The Company completed its first company year as a corporation on 31.12.2000. The first accounting period of the Company exceeded twelve months. For the calculation of Gross Earnings and of Operating Income, the corresponding Depreciation has been deducted from the Cost of Items Sold and Administration Cost that appear in the pro forma financial statements.

⁽³⁾ The number of shares of the Company was definitively determined following the first company year that exceeded twelve months and after the completion of the valuation by the Article 9 Committee. Presentation of the number of shares for the years 1998 – 2000 is made for ease of comparison.

⁽⁴⁾ Data per share have been calculated on the basis of the number of shares outstanding at the end of each company year, as derived by the division of the Company's share capital by the current nominal value per share of € 2.

The allocation of Depreciation in the period 1998 – 2002 is broken down as follows:

ALLOCATION OF DEPRECIATION (IN € THOUSAND)	1998	1999	2000	2001	2002
<i>Depreciation on Cost of Items Sold</i>	2,502	3,067	5,139	4,873	5,785
<i>Depreciation on Administration Cost</i>	401	491	823	327	388
TOTAL	2,902	3,558	5,962	5,200	6,173

It is noted that the allocation of depreciation for the proforma financial statements was effected on the basis of percentages equivalent to the relevant percentage of allocation of overall expenses incurred in the first company year that exceeded twelve months (1/6/1999 – 31/12/2000).

The following table presents the restatement of the pre-tax earnings depicted in the pro forma financial statements for the 1998 – 2002 company years and the published statutory financial statements for the years 2001 and 2002, according to the observations of the chartered auditor - accountant who effected the extraordinary financial and accounting audit.

TABLE OF RESTATAMENT OF RESULTS OF OPERATION					
	1998	1999	2000	2001	2002
<i>(in € thousand)</i>	<i>Pro-forma</i>	<i>Pro-forma</i>	<i>Pro-forma</i>	Statutory	Statutory
Profits before tax	27,158	27,775	15,124	28,772	30,071
Minus:					
Expenses of the year 2000 that were accounted for in year 2001			(314)		
Correct allocation of claims under litigation	(957)	(532)	(1,388)	(1,098)	(290)
Contra entry of depreciation on R&D expenses				300	300
Credit interest accounted for in 2001 that relates to 2000				(65)	
Allocation of earnings to correct company year				(742)	
Entry of income-expense in appropriate period				786	439
Retroactive wage increases of workers					(1,184)
Registration as expense of ongoing technical crew operations				437	
Writeoff of wreck income					(1,350)
Allocation of provisions for doubtful claims to correct period				(4,923)	(2,730)
Differences arising following tax audit				1,314	
Restated Profits before Tax	26,201	27,243	13,422	24,781	25,256
Taxes for the Year			4,674	10,817	10,683
Restated Earnings after Taxes for the Year	26,201	27,243	8,748	13,964	14,573
Restated Earnings after Taxes for the Year and Board of Directors' fees	26,201	27,243	8,748	13,964	14,573
Taxes from tax audit to appropriate period			3,775	1,589	773
Restated Earnings following Taxes for the Year, Board of Directors' fees and allocation of taxes from tax audits to the relevant accounting period	26,201	27,243	4,973	12,375	13,800

Note: Any divergence in sums is due to the rounding of individual amounts.

The restatement of the pre-tax earnings depicted in the pro forma financial statements of the Company for the 1998 – 2000 periods and the published (statutory) financial statements for the years 2001 and 2002 is based on the following observations of the chartered auditor - accountant who effected the extraordinary financial and accounting audit:

I) 1998 -2000 Proforma Financial Statements

“In the course of review of the appropriateness of attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 910,000 should be subtracted from the results of the year 2000. In the course of the corresponding audit that we effected with regard to the accounting period that ended on 31.12.2001, it emerged that an algebraic sum of approximately € 807,000 should be added to the results of the year 2001. As regards such differences, a total of € 593,000 that pertained to the period ended on 31.12.2000 has been included in the restated pro forma financial statements. The balance of € 314,000 pertains to sums that were detected during the audit of expenditures in the year 2001 and were included by us in the restatement of the pro forma financial statements.

The above restatement burdens both net worth and the profit and loss account of the year 2000 because there are no sufficient records that would allow the apportionment of such burdening to the profit and loss accounts and the net worth of the individual years.

On the basis of information supplied in relation to the dates on which claims under litigation against Piraeus Port Authority arose, the allocation of the provision effected on the profit and loss account of the financial statements compiled by the Authority, became feasible. The effect of such process, for the pro forma financial statements of the years 1998, 1999 and 2000 is € 957,000, € 532,000, and € 1,388,000, respectively.”

II) Published (Statutory) Financial Statements for the year 2001

“

1. The amount of approximately € 1.5 million that is included in the “Research and Development” account of Assets must be revised by way of a contra entry and to be debited to the Company’s net worth as at December 31, 2002, since it relates to the Legal Entity of Public Law, due to the lack of data and sufficient documentation. In addition, the corresponding depreciation for the year 2001, of approximately € 300,000, must be written off and the Company’s results and net worth increased by the corresponding amount.
2. Services rendered within the year 2000, of an approximate value of € 742,000, were invoiced during the first two months of 2001, while they should have increased the results of the first company year of PPA S.A. that exceeded twelve months (1.6.1999-31.12.2000) and reduced the results of the year 2001, respectively. Similarly, credit interest of approximately € 65,000 that relate to the year 2002, were entered in the year 2001 and must be written off.
3. The review of allocation of income and expense to the appropriate years indicated that an algebraic sum of € 786,000 should have increased the results of the year 2001. An analysis of such amount, as well as its effect to the Company’s net worth for the year 2001 is included in the restatement table.
4. The “Inventory Stock” account included ongoing technical crew operations, of which the amount of approximately € 302,000 related to repairs effected during the year 2000. In accordance with the Article 9 Committee valuation, such amount was set at approximately € 437,000 and was written off by the Company in the results of company year 2001. In our opinion, the said amount should have burdened the results of the first company year that exceeded twelve months and not those of the year 2001.

5. On the basis of the updates to the independent legal due diligence report, in connection with pending litigation cases and the new data supplied in relation to the dates at which pending claims by third parties arose against PPA S.A., it became possible to attribute the provision previously established to the results and the net worth of the financial statements (both proforma and statutory) that have been compiled by the Company. The effect of such allocation to the results of the year 2001 is equal to € 1,098,000.

6. In addition to the provision for doubtful claims in forced collection of an amount of € 30,033,000 that the Company had established until December 31, 2002, the Company's designated Chartered Auditors included a note in their audit certificate in connection with an additional required provision of € 13,000,000. As regards the year 2001, it is proposed that the said additional provision burden the Company's net worth by the amount of € 10,270,000 (since the amount of the provision proposed as at 31.12.2001 was € 10,270,000), while the amount of € 4,923,000 is to burden the results for the year, since it is by such amount that the account of customers in forced collection increased during the year 2001 (by corresponding credit of earnings).

7. The results of operation of the year 2001 had been burdened by VAT assessments following a tax audit, of an amount of approximately € 1,314,000 that related to the years up to 31.12.2000. Such amount has been restated for reasons of accounting autonomy of each accounting period."

III) Published (Statutory) Financial Statements of the year 2002

"1. No records or analyses were identified in support of the amount of approximately € 1,500,000 that is included in Assets account C1 "Research and Development Costs". As stated, the said amount relates to preliminary expenses for projects that were transferred to the Company by the Legal Entity of Public Law. The Company was not in a position to verify the nature of expenses or to attribute them to the relevant projects. In our opinion, the said amount must be written off by way of a contra entry and must impair the net worth as at December 31, 2001 (and, consequently, also the net worth as at December 31, 2002), since it relates to the Legal Entity of Public Law. In addition, the corresponding depreciation for the year 2002, equal to € 300,000, must be written off and increase the Company's results of operation.

2. The review of allocation of income and expense to the appropriate years indicated that an algebraic sum of € 439,000 should have increased the results of the year 2002. An analysis of such amount, as well as its effect to the Company's net worth for the year 2002 is included in the restatement table.

3. The retroactive wage increases applicable to port workers for the year 2002 on the basis of the National General Collective Labour Agreement (increase by 2.6% for the first semester and 1.8% for the second semester) amounted to € 1,184,000 and were entered in the results of the year 2003.

4. We had the opportunity to review the updates to the Legal Due Diligence Report in connection with pending litigation by third parties against the Company and vice versa. Our review of the sufficiency of the provision established for pending litigation, together with additional data supplied by the Company's legal department and the updated assessment of the independent legal due diligence indicated that the provision of € 19,323,000 already established is sufficient to cover potential losses that may arise as a result of such pending litigation cases. In addition, the new data reviewed in connection with the dates on which pending claims by third parties against the Company arose, enabled us to attribute the provision established to the results of operation and net worth reported on the financial statements (both proforma and statutory) prepared by the Company. The effect to the results of operation for the year 2002 is equal to € 1,098,000.

5. The account “Customers on Credit” includes customer balances of approximately € 1,350,000, that relate to wreck charges invoiced during the year 2002. In view of the fact that collection of such amounts is questionable, we recommend the write-off of such amount and the corresponding impairment of the year’s results of operation.

6. In addition to the provision for doubtful claims in forced collection of an amount of € 30,033,000 that the Company had established until December 31, 2002, the Company’s designated Chartered Auditors included a note in their audit certificate in connection with an additional required provision of € 13,000,000, in order for the balance of the said account to be adjusted to the levels of anticipated collections. It is proposed that the above provision burden the Company’s results of operation for the year 2002 by € 2,730,000 and the Company’s net worth as at 31.12.2001 by the amount of € 10,270,000 (since the amount of the provision proposed as at 31.12.2001 was € 10,270,000).”

In connection with the effect of pending claims in litigation to the restatements of earnings, the independent financial auditor – accountant notes the following:

“In accordance with new data provided in connection with the times at which pending claims by third parties against the Company arose, it became possible to allocate the provisions established to results of operation and to the Company’s net worth, as reported on the Company’s financial statements (both statutory and proforma). The effect of such allocation is presented in the following table:

Financial Statements (in € thousand)	Effect on	
	Net Worth	Results
1998 Proforma (1.1.-31.12.1998)	16,015	957
1999 Proforma (1.1.-31.12.1999)	16,547	532
2000 Proforma (1.1.-31.12.2000)	17,935	1,388
2000 Proforma for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2000 Statutory for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2001 Statutory (1.1.2001 – 31.12.2001)	19,033	1,098
2002 Statutory (1.1.2002 – 31.12.2002)	19,323	290

On the basis of the above table, the financial auditor that performed the extraordinary financial audit proposes the positive restatement of the Company’s equity capital as reported on its financial statements (both statutory and proforma) for the periods ended on 31.12.1998, 1999, 2000 and 2001, while, as regards results of the respective years (as well as those of financial year 2002) a negative restatement to the extent of amounts related to cases under litigation that have an anticipated adverse or uncertain outcome for the Company and arose in the respective years.”

The effects of tax audit differences up to and including the 2000 accounting period have impaired the net worth reported on the proforma financial statements, but not the earnings, due to the fact that, in accordance with the independent financial auditor, there exists no sufficient evidence that could enable the allocation of such impairment to the net worth and earnings of the various years for which proforma statements have been prepared.

The following table presents in summary the Company's financial aggregates for the period 1998-2002:

PPA S.A. SUMMARY FINANCIAL AGGREGATES					
BALANCE SHEET RECORDS	1998	1999	2000	2001	2002
(in € thousand)	Pro-forma	Pro-forma	Pro-forma	Statutory	Statutory
ASSETS					
Establishment Expenses	0	1,427	4,208	4,104	3,336
Tangible Fixed Assets	0	264	274	1,747	1,471
Intangible Fixed Assets	88,067	84,486	88,012	95,474	115,403
TOTAL FIXED ASSETS	88,067	84,751	88,286	97,307	116,997
CURRENT ASSETS	55,606	71,309	112,854	121,579	113,458
TOTAL ASSETS	143,673	157,487	205,348	223,226	236,075
LIABILITIES					
TOTAL EQUITY CAPITAL	78,578	75,740	114,606	128,177	139,975
Provisions	24,920	25,232	25,543	26,130	26,130
Long-Term Bank Loans	29,241	29,241	26,317	23,393	20,469
TOTAL LONG-TERM LIABILITIES	29,241	29,241	26,317	23,393	20,469
Long-term liabilities payable within subsequent year	0	0	2,988	2,924	2,924
Customer Advance Payments	5,023	9,143	10,847	12,188	2,975
Obligations for taxes and duties	3,102	3,516	8,922	16,015	11,885
TOTAL SHORT-TERM LIABILITIES	10,933	27,252	37,750	43,964	47,109
TOTAL LIABILITIES	143,673	157,487	205,348	223,226	236,075
Share book value⁽¹⁾	3.1	3.0	4.6	5.1	5.6

Note: Any divergence in sums is due to the rounding of individual amounts.

⁽¹⁾ The book value per share has been calculated on the basis of the number of shares of the Company (25,000,000) and the Company's equity capital in the corresponding years.

The following table presents the restatement of the equity capital depicted in the pro forma financial statements of the Company for the 1998 – 2000 periods and in the statutory financial statements for the years 2001 and 2002, according to the observations of the chartered auditor - accountant who effected the extraordinary financial and accounting audit.

PPA S.A. SUMMARY FINANCIAL AGGREGATES					
BALANCE SHEET RECORDS					
	1998	1999	2000	2001	2002
(in € thousand)	Pro- forma,	Pro- forma,	Pro- forma,	Statutory	Statutory
Equity Capital	78,578	75,740	114,606	128,177	139,975
Minus:					
Correct Allocation of Pending Claims in Litigation	3,242	2,710	1,322	290	
Tax assessments as a result of tax audits up to and including year 2000	(1,315)	(1,315)	(4,907)		
Additional provision for doubtful claims	(5,347)	(5,347)	(5,347)	(10,270)	(13,000)
Expenses of the year 2000 recorded in 2001			(314)		
Entry as expense of research and development costs				(1,500)	(1,500)
Contra entry of depreciation and writeoff of research and development costs				300	600
Allocation of earnings and expenses to the appropriate period				(587)	(148)
Retroactive increases to port workers' wages					(1,184)
Provision for previous years' claims for parking tickets assessed				(164)	(164)
Write-off of wreck charges					(1,350)
Tax assessment resulting from tax audit that relate to 2001 and were accounted for in 2002				(1,589)	
Differences of Tax Audit for the year 2002					(773)
Restated Equity Capital	75,158	71,788	105,360	114,657	122,456
Restated book value per share⁽¹⁾	3.1	2.9	4.2	4.6	4.9

Note: Any divergence in sums is due to the rounding of individual amounts.

¹⁾ The book value per share has been calculated on the basis of the number of shares of the Company (25,000,000) and the Company's equity capital in the corresponding years.

The restatement of the equity capital depicted in the pro forma financial statements of the Company for the 1998 – 2000 periods and the statutory financial statements for the years 2001 and 2002 is based on the results of the tax audit and the following observations of the chartered auditor - accountant who effected the extraordinary financial and accounting audit:

I) Proforma Financial Statements 1998-2000

“

1. In the course of the review of appropriateness of the attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 910,000 should be subtracted from the results of the year 2000. In the course of the corresponding audit that we effected with regard to the accounting period that ended on 31.12.2001, it emerged that an algebraic sum of approximately € 807,000, should be added to the results of the year 2001. As regards such differences, a total of € 593,000 that pertained to the period ended on 31.12.2000 has been included in the restated pro forma financial

statements. The balance of € 314,000 pertains to sums that were detected during the audit of expenditures in the year 2001 and were included by us in the restatement of the pro forma financial statements.

2. In addition to the provision of € 29.3 million for bad debts from customers in forced collection that was effected by the Committee of Article 9 of Codified Law 2190/1920, the Chartered Auditors of the Company included an observation in the audit certificate for the year 2001, concerning an additional provision required for doubtful accounts, amounting to € 10.3 million. Out of the above provision it is proposed to allocate the sum of € 4.9 million to the profit & loss account of the year 2001 (since this represents the increase of the outstanding amount receivable from customers in forced collection within the said accounting period) and the sum of € 5.3 million to the net worth as at 31.12.2000. It is noted that since the above provision was effected in the year 2001, it is equally not included in the pro forma financial statements.

3. In the financial statements drafted according to Codified Law 2190/1920 as well as in the restated pro forma financial statements for the periods until 31.12.2000, no provision is included for the relevant tax charges arising as a result of the tax audit effected with respect to the years up until 31.12.2000. On the basis of the findings of the tax audit that was effected within the year 2001 with respect to the period 01.06.1999 – 31.12.2000, additional income and value added taxes were assessed, amounting in aggregate to € 4.9 million. Out of this amount, the sum of € 3.59 million pertains to income tax differences and has burdened net worth as at 31.12.2001, while the sum of € 1.3 million pertains to VAT and has burdened the extraordinary and non-operating results of the year 2001. For reasons of accounting autonomy with respect to each year, these sums have been restated.

4. On the basis of the new records supplied in relation to the dates on which claims under litigation filed by third parties against Piraeus Port Authority arose, it became possible to allocated the provision effected to the net worth of the pro forma financial statements for the years 1998, 1999 and 2000, by € 16.081 million, € 16.613 million and € 18.001 million, respectively. In view of the fact that a provision of € 19.323 million has already been effected, the additional restatement on the net worth of the pro forma financial statements is € 3.242 million, € 2.710 million and € 1.322 million, respectively.”

II) Published (Statutory) Financial Statements for the year 2001

“1. The amount of approximately € 1.5 million that is included in the “Research and Development” account of Assets must be revised by way of a contra entry and to be debited to the Company’s net worth as at December 31, 2002, since it relates to the Legal Entity of Public Law, due to the lack of data and sufficient supporting documentation.

2. The review of allocation of income and expense to the appropriate years indicated that an algebraic sum of € 786,000 should have increased the results of the year 2001. The effect to net worth is € 587,000.

3. Assets account “Sundry Debtors” includes claims relating to assessed parking fines of an amount of approximately € 751,000 that originate from the Legal Entity of Public Law (before 31.5.1999). As regards the said amount, the Committee of Article 9 of Codified Law 2190/1920 established a provision of approximately € 587,000, which has impaired the Company’s net worth for the year 2001, while the balance of € 164,000 must be written off and impair the Company’s net worth for the year 2001.

4. On the basis of the updates to the independent legal due diligence report, in connection with pending litigation cases and the new data supplied in relation to the dates at which pending claims by third parties arose against PPA S.A., it became possible to attribute the provision previously established to the results and the net worth of the financial statements (both proforma and statutory) that have been compiled by the Company. The effect of such allocation to the net worth is equal to € 290,000.

5. In addition to the provision for doubtful claims in forced collection of an amount of € 30,033,000 that the Company had established until December 31, 2002, the Company's designated Chartered Auditors included a note in their audit certificate in connection with an additional required provision of € 13,000,000. As regards the year 2001, it is proposed that the said additional provision burden the Company's net worth by the amount of € 10,270,000 (since the amount of the provision proposed as at 31.12.2001 was € 10,270,000), while the amount of € 4,923,000 is to burden the results for the year, since it is by such amount that the account of customers in forced collection increased during the year 2001 (by corresponding credit of earnings).

6. As a result of the tax audit for the year 2001 (that was conducted during the first semester of 2002), additional income tax assessments of approximately € 1,589,000 were established, which impaired the Company's net worth for the year 2002. Such amount has been restated for reasons of accounting autonomy of each accounting period."

III) Published (Statutory) Financial Statements of the year 2002

"1. No records or analyses were identified in support of the amount of approximately € 1,500,000 that is included in Assets account C1 "Research and Development Costs". As stated, the said amount relates to preliminary expenses for projects that were transferred to the Company by the Legal Entity of Public Law. The Company was not in a position to verify the nature of expenses or to attribute them to the relevant projects. In our opinion, the said amount must be written off by way of a contra entry and must impair the net worth as at December 31, 2001 (and, consequently, also the net worth as at December 31, 2002), since it relates to the Legal Entity of Public Law. In addition, the corresponding depreciation for the year 2002, equal to € 300,000, must be written off and increase the Company's results of operation and the accrued depreciation of € 600,000 as at December 31, 2002, must be written off and increase the Company's net worth.

2. The review of allocation of income and expense to the appropriate years indicated that an algebraic sum of € 439,000 should have increased the results of the year 2002. The effect to the Company's net worth is equal to € 148,000.

3. The retroactive wage increases applicable to port workers for the year 2002 on the basis of the National General Collective Labour Agreement (increase by 2.6% for the first semester and 1.8% for the second semester) amounted to € 1,184,000 and were entered in the results of the year 2003.

4. The account "Customers on Credit" includes customer balances of approximately € 1,350,000, that relate to wreck charges invoiced during the year 2002. In view of the fact that collection of such amounts is questionable, we recommend the write-off of such amount and the corresponding impairment of the year's results of operation.

5. In addition to the provision for doubtful claims in forced collection of an amount of € 30,033,000 that the Company had established until December 31, 2002, the Company's designated Chartered Auditors included a note in their audit certificate in connection with an additional required provision of € 13,000,000, in order for the balance of the said account to be adjusted to the levels of anticipated collections.

6. The tax audit for the year 2002 resulted in additional tax and surcharges of an approximate aggregate amount of € 773,000."

The following table presents the Company's financial ratios for the 1998-2002 period:

Financial Ratios	1998	1999	2000	2001	2002
GROWTH RATIOS (%)					
Turnover	(1)	1.86%	11.22%	-2.78%	11.47%
Profits before Tax	(1)	2.27%	-45.55%	90.24%	4.52%
PROFIT MARGIN RATIOS(%)					
Gross Profit	42.51%	40.19%	36.06%	31.19%	28.27%
Net Profit	25.48%	25.58%	12.53%	24.51%	22.98%
EFFICIENCY RATIOS (pre tax %)					
Average Equity Capital	34.56%	36.67%	13.20%	22.45%	21.5%
Average Aggregate Equity Capital Employed	21.81%	19.55%	8.66%	13.52%	13.2%
TURNAROUND RATIOS (days)					
Inventory Stocks	69.8	21.9	17.0	20.5	17.7
Receivables	108.2	127.6	141.0	158.9	127.9
Suppliers		10.6	24.9	15.1	8.0
LEVERAGE RATIOS (:1)					
Debt/Equity	0.83	1.08	0.79	0.74	0.69
Obligations to Banks/Equity Capital	0.37	0.39	0.26	0.21	0.17
LIQUIDITY RATIOS (:1)					
General Solvency	5.09	2.61	2.90	2.68	2.34
Current Solvency	4.01	2.47	2.81	2.58	2.25
FINANCIAL COST RATIOS (%)					
Financial Cost/Gross Profit	9.23%	6.92%	6.11%	3.87%	2.6%
Financial Cost/Earnings before Taxes for the year plus Debit Interest	13.34%	9.81%	14.97%	4.69%	3.1%

(1) Since no pro forma financial statements exist for the period from 01.01.1997 to 31.12.1997, the calculation of the specific ratios for the year 1998 is not possible.

The following table presents the Company's financial ratios, as revised on the basis of the comments and restatements of the independent auditor/accountant that conducted the extraordinary financial due diligence and the results of the tax audit.

RESTATED FINANCIAL RATIOS	1998	1999	2000	2001	2002
GROWTH RATIOS (%)					
Turnover	(1)	1.86%	11.22%	-3.40%	11.02%
Profits before Tax	(1)	3.98%	-45.55%	63.85%	1.92%
PROFIT MARGIN RATIOS (%)					
Gross Profit	42.51%	40.19%	35.80%	31.13%	27.52%
Net Profit	24.58%	25.09%	11.12%	21.24%	19.50%
EFFICIENCY RATIOS (pre tax %)					
Average Equity Capital	34.86%	37.95%	12.74%	21.61%	20.5%
Average Total Capital Employed	21.96%	19.89%	8.04%	12.41%	11.9%
TURNAROUND RATIOS (days)					
Inventory Stocks ⁽²⁾	69.8	21.9	16.9	20.6	17.7
Receivables ⁽³⁾	108.2	127.6	141.0	159.9	125.4
Suppliers		10.6	24.8	15.1	8.0
LEVERAGE RATIOS (:1)					
Debt/Equity	0.84	1.12	0.90	0.85	0.79
Obligations to Banks/Equity Capital	0.39	0.41	0.28	0.23	0.19
LIQUIDITY RATIOS (:1)					
General Solvency	4.10	2.31	2.44	2.33	1.99
Current Solvency	3.15	2.17	2.36	2.24	1.90
FINANCIAL COST RATIOS (%)					
Financial Cost/Gross Profit	9.23%	6.92%	6.16%	4.08%	2.7%
Financial Cost/Earnings before tax for the year plus debit interest	13.76%	9.98%	16.55%	5.64%	3.7%

⁽¹⁾ Since no pro forma financial statements exist for the period from 01.01.1997 to 31.12.1997, the calculation of the specific ratios for the year 1998 is not possible.

4. Information on the compilation of the Offering Memorandum and the Auditors of the Company

4.1 General information

This Offering Memorandum includes information and financial records necessary for an appropriate assessment of the property, the business activity, the financial standing, the results and the prospects of PPA S.A. (hereinafter the “Company”) by investors and their investment advisors.

Investors interested in obtaining additional information may address all inquiries, during working hours on weekdays, at:

The offices of the Lead Arrangers, i.e., EFG Eurobank Ergasias SA, 6 Othonos str., Athens, (contact persons: Ms. E. Sazaklis and Mr. N. Bakrissioris), tel. (210) 3721800; and Agricultural Bank of Greece SA, 4 Panepistimiou str. and 2 Kriezotou str., Athens, 10671, (contact persons: Messrs. E. Ioannou and S. Chrysagis), tel. (210) 3697864.

The offices of the Advisor, i.e., Bank of America NA, 35 Panepistimiou str., Athens 10564, (contact persons: Mr. M. Koliopoulos and Mr. N. Mantzoufas), tel. (210) 3285219, (210) 3285129.

The offices of the Company (contact persons Mrs. M. Aisopou, Messrs. M. Korfidis and S. Hadjakos), tel. (210) 4520257.

The compilation and distribution of this Offering Memorandum was carried out according to the provisions of applicable Greek laws. The Boards of Directors of the Athens Exchange and of the Hellenic Capital Markets Committee have approved the contents of this Offering Memorandum solely in relation to the sufficiency of investor disclosure in accordance with the provisions of Presidential Decree 348/1985.

The persons responsible for the compilation and the accuracy of the data contained in this Offering Memorandum are:

Mr. Sotirios Theofanis, Chairman and Managing Director, PPA S.A.
Mr. Demetrios Artikis, Chief Financial Officer, PPA S.A.

The Company's Board of Directors represents that all its members have been informed of the content of this Offering Memorandum, and that all members except three - Mr. Ch. Agrapidis (representative of the Municipality and Mayor of Piraeus), Mr. S. Balabanidis (representative of the employees), and Mr. P. Kyriakou (representative of the port workers) - agree with the content of this Offering Memorandum.

The Company's Board of Directors along with the persons who prepared this Offering Memorandum, represent the following:

- All information and data included in this Offering Memorandum are comprehensive and true.
- No other records or data exist and no other events have occurred, which if concealed or omitted, in whole or in part, would render the information and data included in this Offering Memorandum misleading.
- No material proceedings are pending before courts or arbitral tribunals, other than mentioned in this Offering Memorandum which could have a material adverse effect in the Company's financial position.

The banks EFG Eurobank Ergasias SA and Agricultural Bank of Greece SA, Lead Arrangers of this offering, represent that following the recent and duly diligent legal due diligence and accounting and financial audit that was performed on their instruction by Legal Experts and Chartered Auditors independent from the issuer of the securities, the statements and data included in this Offering Memorandum are accurate and complete, provided that one takes into consideration the following: (i) the auditing procedures implemented in relation to all important accounts that affect the financial statements of the Company, which arose following an assessment by the independent chartered auditor that conducted the financial-accounting audit of the Company's accounts and the levels of risk inherent in each such account; (ii) the remarks of the independent chartered auditor that conducted the financial-accounting audit, as well as those of the firm that conducted the independent legal due diligence. The Lead Arrangers deem that the extraordinary financial and accounting audit effected with respect to the years 1998 -2002 is sufficient for the Company in question and, combined with the legal due diligence performed, provides a clear picture of the financial standing of the Company. The relevant reports of the legal due diligence and the accounting - financial audit are kept at the offices of the Lead Arrangers and available upon request to any investors interested. The remarks made in the course of the above mentioned audits have been included in the Offering Memorandum, as deemed appropriate at the judgement of the Lead Arrangers.

The Offer Price for the shares will be determined on the basis of a competitive bidding process (Book Building procedure) and according to the provisions of Article 4 of Presidential Decree 348/1985, as currently in force (see Section 5.2 titled "Sale Price").

The liability of the Lead Arrangers and Other Underwriters vis-à-vis those acquiring shares in the course of the Public Offering is governed by Article 3 (a) of Presidential Decree 350/1985, as supplemented by Article II of Law 2324/1995 and amended by Article 2 of Law 2651/1998.

4.2 Legal Due Diligence

The legal due diligence was performed by the law firm of Dryllerakis & Partners. Mr. Ioannis Apsouris, Attorney at Law of the Athens Bar Association, 25 Voukourestiou str., Athens 10671, tel. (210) 3628159, acted as coordinator of the legal due diligence team. The legal due diligence covers the period up to 31.12.2002.

As regards pending litigation cases and on the basis of the legal due diligence updating report, it appears that a significant number of pending cases of claims under litigation filed against the Company exist, as well as significant number of claims under litigation filed by PPA SA against third parties; the majority of these cases pertain to the period prior to the transformation of Piraeus Port Authority from a Legal Entity of Public Law to a société anonyme. In the course of the independent legal due diligence performed, it was deemed expedient to request detailed records in relation to all cases involving amounts in litigation in excess of € 44,000. The examined cases pertaining to claims of third parties against PPA SA amount in aggregate to approximately € 88 million and represent approximately 95% of the total claims under litigation filed against the Company.

Said lawsuits mainly pertain to cases versus social security funds, the Greek State, local government organisations and customers or suppliers, as well as various labour claims by employee groups (benefits, overtime payments, etc.). According to the Legal Due Diligence report, out of an aggregate reported disputed amount of € 88.6 million, a number of cases amounting in aggregate to € 28 million approximately are considered as potentially entailing an uncertain or adverse outcome for the Company and relate to the following:

Claims by the Greek State, Local Government Organisations and other Legal Entities of Public Law

The claims of this category are mainly related to disputes with the Greek State with respect to taxes and duties imposed on Piraeus Port Authority, and also to disputes with the Municipalities of Piraeus, Drapetsona, Keratsini and Perama, within the areas of which Piraeus Port Authority conducts its business, with respect to municipal charges for lighting and waste collection, as well as to taxes for the use by Piraeus Port Authority of areas which the aforementioned Municipalities consider as falling “within their jurisdiction” according to the relevant provisions of Law 1080/1980.

Labour Claims

The collective claims filed by Piraeus Port Authority employees against the Authority, both in relation to the period of its operation in the form of a Legal Entity of Public Law and that following its transformation into a société anonyme, constitute a major category of claims under litigation filed against the Company. Most of the cases within this category relate to similar claims by various employees arising out of common legal grounds, including:

- payment of the special overtime monthly compensation established by Decisions no. 2024837/2870/0022/90 and no. 2065240/6951/0022/19.10.1990 issued by the Minister of Finance,
- payment of the special productivity bonus provided by Joint Ministerial Decision no. 92620/D10E982/10.10.1995 issued by the Ministers of National Economy and Finance,
- salary differences arising out of the difference in the manner in which paid leaves and leave benefits are calculated, and
- payment of the special productivity bonus provided by Joint Ministerial Decision no. 4144/12.8.1993 issued by the Ministers of National Economy, Finance, and Health, Welfare and Social Security.

Claims by Customers and Suppliers

Cases within this category relate to claims by customers and suppliers against PPA S.A.

Expropriation Cases

Cases of this category relate to disputes in connection with expropriation declared in connection with private property within the Piraeus Port Authority in favour of the Greek State, at the cost of PPA S.A.

The claims in litigation brought by third parties against PPA S.A that were reviewed in the course of the legal due diligence for the period until 31.12.2002, of an aggregate amount of € 88.6 million, are presented in the Annex of this offering memorandum.

In accordance with the independent auditor-accountant that performed the extraordinary financial due diligence:

“After taking into consideration the new data provided by the Company’s legal department in connection with certain pending litigation cases, as well as the updated assessment contained in the independent legal due diligence report, we concluded that the provision for claims in litigation already established, of an amount of € 19.32 million is sufficient to cover potential damages that may arise in connection with pending litigation cases.”

In connection with the sufficiency of the provision of € 19,323,000 already established in the Company’s books in relation to claims in litigation potentially having an unpredictable or adverse outcome for the Company (involving an aggregate amount in litigation of € 28 million, on the basis of the legal due diligence performed), the Lead Arrangers adopt the above-stated opinion of the independent financial auditor and have not effected any restatements in connection with the difference of € 8.7 million (28 – 19.3).

- The Company does not have a certified Registry of Shareholders. As the legal auditor observes:

“The obligation of Greek Corporations to keep a Registry of Shareholders is derived from Paragraph 5 of Article 7 of the Code of Books and Records, as currently in force, following its amendment by Paragraph 4 of Article 9 of Law 2275/1994. The non-sanctioning of a Registry of Shareholders does not entail any consequence for the Company, in view of the fact that the obligation for the sanctioning was abolished by Decision no. 1021001/167/0015B/POL.1071/25.02.2000 of the Minister of Finance.”

- PPA S.A. does not enjoy a privilege of immunity from attachment or enforcement against it (or its assets). The person performing the legal due diligence observes:

“As regards the enforcement against PPA S.A. it is observed that the relevant privilege provided for it by Article 3 of Law 1559/1950 is linked to the corresponding privileges enjoyed by the Greek State. The right to institute enforcement proceedings against the State, a right that was initially affirmed by court decisions and subsequently ratified also on the grounds of the provisions of Law 2642/1997 (see also Supreme Court Plenary Session Judgement 21/2001) is also provided for today directly by the revised Constitution of the country. As a result, PPA S.A., which as for the remainder preserves the legal privileges of Piraeus Port Authority, is not in a position to resort to its immunity from enforcement against it (or its assets). However, this issue does not affect the status applicable to the port infrastructure that has been conceded by the Greek State, in view of the fact that this consists of public commodities destined for common use, which are by nature not subject to attachment (irrespective of the identity of the person using the same).”

No facts or other data has been established which could inhibit, from a legal point of view, the purported admission of shares of the Company to the Main Market of the Athens Exchange.

4.3 Financial and Accounting Audit

The extraordinary financial and accounting audit was effected by chartered accountant - auditor Mr. Georgios Apostolidis, Chartered Auditors & Accountants Reg. No. 10181, of the auditing firm of ERNST & YOUNG (HELLAS) Chartered Auditors - Accountants SA.

The observations of the chartered auditor – accountant who effected the extraordinary financial and accounting audit of the Company, per set of financial statements (proforma or statutory) and per year, are the following:

i) Proforma Financial Statements for the period 1998-2000

“1. The fixed assets accounts as at 31.12.1998 includes *Fixed assets in progress* amounting to € 17.9 million. The Company did not supply us with any breakdown that would allow us to derive the amount that was reported as fixed assets up until 31.12.2000, but was not included in the appraisal of the fixed assets effected by the Committee of Article 9 of Codified Law 2190/1920. As a result of the above, the value of the fixed assets accounts as at 31.12.1998 is higher compared with that as at 31.12.1999.

2. The infeasibility to determine the value of stocks at the beginning and the end of the periods 1998, 1999, and 2000, results in the inability to accurately determine the cost of services provided within the specific periods.

3. A claim in relation to refundable VAT, amounting to € 2.93 million according to the appraisal effected by the Committee of Article 9 of Codified Law 2190/1920, has not been accounted in any of the restated financial statements.

4. In the restated financial statements of the year 2000 and the accounting period from 01.06.1999 to 31.12.2000, the accounts “Sundry Debtors” and “Liabilities from taxes and duties” are increased by a tax advance payment of € 927,000 approximately.

5. No significant exception was detected in the course of the separation of the periods as regards the reporting of income and expenses in the form of accounting entries in the (pro forma) accounting periods, with the exception of the accounting period that exceeded 12 months (01.06.1999 - 31.12.2000) and the year 01.01.2000 - 31.12.2000 which should be burdened by part of the expenses cost, amounting to € 863,000, which was accounted in 2001 but pertained to the above mentioned periods. On the basis of our review it was not feasible to determine the exact amounts that should burden each of the respective periods.

6. No additional provision for claims under litigation is included in the pro forma financial statements.”

Statutory Financial Statements

i) Statutory Financial Statements for the first Company year that exceeded twelve months (1.6.1999 – 31.12.2000)

1. “The fixed assets accounts as at 31.12.2000 include the accounting balances of the Legal Entity of Public Law as at 31.05.1999, increased by the additions of the period from 01.06.1999 to 31.12.2000 and decreased by the sales or write-offs, as well as depreciation of the same period. On 31.12.2001 the fixed assets accounts include the value of the fixed assets as these were appraised by the Committee of Article 9 of Codified Law 2190/1920 on 31.01.2001, increased by the additions of the period from 01.02.2001 to 31.12.2001 and decreased by the sales or write-offs, as well as depreciation of the same period (eleven months). Equally excluded is the value of those fixed assets (lands, buildings and facilities) the title over which remained with the Greek State while their use and exploitation was conceded to PPA S.A.
2. The result of the accounting period that exceeded 12 months was burdened by expenditures amounting to € 21.4 million approximately for the repair of damages caused by the earthquake of September 1999, incurred in the absence of relevant insurance coverage.
3. An income on credit amounting to € 5.59 million that pertained to invoices issued in December 2000 was not accounted in the accounting period that exceeded 12 months.
4. Services provided in the course of 2000, amounting to € 742,000 approximately, were invoiced during the first two months of 2001, while these should have increased the results of the first accounting period of PPA S.A. that exceeded 12 months (01.06.1999 to 31.12.2000).
5. Services provided prior to 31.05.1999, amounting in total to € 510,600 approximately, and credit interest amounting to € 1.3 million, were included in the results of the first accounting period that exceeded 12 months that ended on 31.12.2000, as income of PPA SA, whereas these pertained to the results of the Legal Entity of Public Law, prior to 31.05.1999.
6. In the course of the review of appropriateness of income and expenses to the relevant periods, it emerged that an algebraic sum of € 910,000 approximately, should be subtracted from the results of the year 2000.
7. No documents or breakdowns were found supporting the amount of € 1.8 million approximately that is included in the financial statements of the accounting period that ended on 31.12.2000 under Assets Account C1 titled “Research and development expenses”. As we were told, this amount pertains to preliminary expenses for works, which were carried forward from the Legal Entity of

Public Law. The Company was not in a position to verify the nature of these expenses, nor to relate them to the relevant projects question. In our opinion, this amount should burden the net worth, given that it pertains to the Legal Entity of Public Law.

8. The Inventory account ("Stocks" as at 31.12.2000 includes ongoing technical crew operations, among which the amount of € 302,300 approximately that pertained to repairs carried out within the year 2000. According to the appraisal effected by the Committee of Article 9, this amount was set to € 438,000 approximately and was written off by the Company in the results of the year that ended on 31.12.2001. In our opinion, this amount should burden the results of the first accounting period that exceeded 12 months and not of the year 2001.
9. In the financial statements of the accounting period that ended on 31.12.2000 no provision was effected for personnel compensations as stipulated by Codified Law 2190/1920.
10. On 31.01.2001, the Committee of Article 9 of Codified Law 2190/1920 completed its appraisal of the assets and liabilities of the new Company, PPA S.A. On the basis of this appraisal, the values of the fixed assets were restated, various provisions were effected, and a number of accounting (non-collectible) balances were written off. As mentioned in like manner by the designated chartered auditors - accountants in their audit certificate dated 31 May 2001, the result of the said appraisal should have been depicted in the financial statements of the accounting period that ended on 31.12.2000. The most important restatements effected by the Committee of Article 9 are the following:

TABLE OF RESTATEMENTS AS AT 31.12.2000

Description (in € thousand)	Results of the accounting period 01.06.1999 – 31.12.2000	Net worth as at 31.12.2000
Appraisal of fixed assets	15,551	(91,498)
Stocks devaluation provision		(2,054)
Write off of advance payments		1,144
1. Provision for bad debts from customers	(5,112)	(30,227)
2. Provision for bad debts from debtors		(587)
Provision for claims under litigation filed by third parties against PPA S.A.		4,108
Write off of bad debts from claims		(290)
Provision for personnel compensations	(493)	(6,221)
Refundable VAT	188	2,935
Provision for refundable VAT	(188)	(3,122)

11. In addition to the provision of € 29.3 million for bad debts from customers in forced collection that was effected by the Committee of Article 9 of Codified Law 2190/1920, the Chartered Auditors of the Company included an observation in the audit certificate for the year 2001, concerning an additional provision required for doubtful accounts, amounting to € 10.2 million. Out of the above provision it is proposed to allocate the sum of € 4.9 million to the results of the year 2001 (since this represents the increase of the outstanding amount receivable from customers in forced collection

within the accounting period) and the sum of € 5.3 million to the net worth as at 31.12.2000.

12. In the financial statements drafted according to Codified Law 2190/1920, as well as in the restated pro forma financial statements for the periods until 31.12.2000, no provision is included for the relevant tax charges arising as a result of the tax audit effected with respect to the years up until 31.12.2000.

On the basis of the findings of the tax audit that was effected within the year 2001 with respect to the period 01.06.1999 – 31.12.2000, additional income and value added taxes were assessed, amounting in aggregate to € 4.9 million. Out of this amount, the sum of € 3.6 million pertains to income tax differences and has burdened the net worth as at 31.12.2001, while the sum of € 1.3 million pertains to VAT and has burdened the extraordinary and non-operating results of the year 2001. For reasons of accounting autonomy with respect to each year, these sums have been restated.

Also, in the course of the recent tax audit effected for the year 2001, differences in income tax and relevant surcharges were assessed, amounting to € 1.6 million approximately. This amount was paid-in on 10.06.2002. It is noted that, according to the Greek National Accounting Model, the relevant additional taxes should burden the net worth of the Company for the year 2001.

Until the date of completion of our report and with a view to avoiding or minimising the accounting shortcomings with respect to the year 2002, the Directors of the Company have pledged to upgrade its Accounts Department in order to address all accounting problems and such shortcomings. However, these efforts, as well as any tax consequences can not be valued at present.”

ii) Company year 1.1.2001 – 31.12.2001

The most important general observations of the chartered auditor – accountant who effected the extraordinary financial – accounting audit of the company are the following:

“1. In the financial statements of the accounting period that ended on 31.12.2001 the Company offset the credit balance of the supplier company INTRASOFT, amounting to € 1.5 million approximately, with the account “Fixed assets in progress”, since the project awarded to the supplier at issue was not completed and thus PPA S.A. is not liable to disburse the above mentioned amount. The supplier has requested PPA S.A. to return the performance bond submitted in relation to the project, but the Company refuses to return it until all contractual obligations towards have been performed to the stage of completion. It is noted that we were not presented with any written certification or agreement that would establish the correctness of the above mentioned accounting treatment. If, in the future, the supplier were to successfully claim the above mentioned amount by instituting legal proceedings, then the company would probably have to burden its result by the relevant amount. We were not provided with records that would enable us to determine the probability of such a development.

2. From 1 February 2001 onwards, PPA S.A. has been calculating fixed assets depreciation on the basis of the new reduced coefficients of depreciation that are in effect according to Article 34 of Law 2837/2001.

3. As a result of the lack of customer ledgers (individual balance statements) and analytical balances of customers and suppliers (on credit or in forced collection), or of other non-accounting data supporting or corroborating the aggregates depicted in the balance sheets, the auditing of these accounts on 31.12.2000 and on 31.12.2001 was infeasible, as well as the quantum of the provision effected (€ 30.8 million). Also, among other things, it was not feasible to relate customers’ accounts to customers’ advance payments, neither per services provided nor per customer. It must be noted in addition that not keeping analytical customer balances constitutes a serious breach of tax law.

As regards the Company’s stocks, the following are noted:

With respect to the year 2001 it is mentioned that the Chartered Auditors of SOL SA, in collaboration with the Company's personnel proceeded to an appraisal of the stock registered in the inventory as at 31.12.2001, on the basis of the following:

1. Stock items acquired from purchases made prior to 01.06.1999 were appraised at 50% of their estimated current value. Indeed, the value of part of that stock that was considered totally devaluated, was appraised at € 0.003. On the basis of this appraisal, the total value of the above mentioned stock items amounted to € 2.1 million. Furthermore, the stock devaluation provision effected for these stock items by the Committee of Article 9 of Law 2190/1920, amounting to € 2 million, was written off, thereby increasing the results of the accounting period. As mentioned also in the Annex of the financial statements as at 31.12.2001, the impact of this treatment on the results of the accounting period is not significant.

2. Stock items acquired from purchases made after 01.06.1999 were appraised on the basis of their weighted average price, as this is derived by the books of account kept by the Company which are not subject to mandatory certification by the tax authorities. The value that arose from the appraisal of these stock items amounted to € 2.4 million.

In relation to the stock items described in the above paragraph (1), it is noted that we are not in a position to verify the accuracy of their appraisal because, on the one hand, their valuation was not effected by an independent specialised expert, and on the other hand, we were not provided with information concerning their net value that may be realized upon liquidation in order to determine whether a stock devaluation provision should be effected.

It is noted that, due to the fact that any changes in the inventory upon commencement and upon end of the accounting period reported affect the consumption of stock (which amounted to € 4.3 million and € 4.2 million for the first accounting period that exceeded 12 months and the second accounting period, respectively), we are not in a position to verify the accuracy of that part of the services cost which pertains to consumption of materials for the years 2000 and 2001. The same holds also for the balances depicted in the pro forma balance sheets”.

iii) Company year 1.1.2002 – 31.12.2002

“1. As mentioned by the Company's designated statutory auditors, the efforts for the enhancement of the Company's internal audit system and the reorganization of its accounts department are proceeding at a satisfactory rate, but need to be intensified and completed, especially as relates procedures, so as to ensure the regular and more efficient operation of the Company. In connection with the assessment of internal audit procedures, we reiterate the fact that, in accordance with the resolution of its Board of Directors dated September 11, 2002, the Company has undertaken to: (a) establish a special Internal Audit department, in accordance with the provisions of Articles 7 and 8 of Law 3016/2002; (b) form a three-member Audit Committee, which shall be composed of non-executive members of its Board of Directors, which shall supervise the Internal Audit Department, in accordance with Article 7, par.2 of Law 3016/2002 (such committee has been formed and its members are: Mr. Spyridon Alexandratos, Mr. Dionyssios Dionyssopoulos and Mrs. Christina Stampoultzis); and (c) has authorized the Chairman of the Board of Directors and Managing Director to take necessary action for the urgent and speedy training of ten internal auditors. The Board of Directors has ratified the regulations of the Internal Audit Department by virtue of its resolution dated February 17. 2003.

2. On the basis of Law 2688/1999 by which the Company was created and as from the date of its entry into force, the regular personnel of PPA S.A. is secured under the pensions branch of the Greek Social Security Fund. The costs incurred by the Social Security Fund (IKA) and the National Salaried Employees Ancillary Social Security Fund (IKA - ETEAM) that arises due to the payment of pensions to the pensioners of PPA S.A., is borne in full by the Greek State.

3. *It is noted that in our previous reports in our capacity as independent auditors, we had made reference to the significant shortcomings of the Company's internal audit system, the non existence of customer balances and the absence of data for the monitoring of inventory stock. Our review of the financial statements of the Company as of December 31, 2003, revealed that as of November 2002, the Company has installed and implements a system for the monitoring of income and customer accounts and advance payments, while it has compiled a detailed customer ledger, dated 31.12.2002, which we have audited. In addition to the above, a physical inventory was conducted by the Company's designated statutory auditors and our firm.*

4. *One must stress the efforts for the enhancement of the system for monitoring inventory stock and the accounting reporting thereof. However, such efforts need to be intensified and completed, in order to fully ensure the efficient use of stock, their orderly management and full control at any given time.*"

4.4 Ordinary Financial Audit

The Company is audited by Chartered Auditors – Accountants. With respect to the accounting period that exceeded 12 months (01.06.99 – 31.12.00) the audit was effected by the designated Chartered Auditors – Accountants Mr. Panayiotis Markopoulos (Chartered Auditors & Accountants Reg. No. 11311) and Mr. Panayiotis Demetrakellos (Chartered Auditors & Accountants Reg. No. 10491), while with respect to the years 01.01.2001 – 31.12.2001 and 1.1.2002 – 31.12.2002 it was effected by the designated Chartered Auditors – Accountants Mr. Panayiotis Markopoulos (Chartered Auditors & Accountants Reg. No. 11311) and Mr. Panayiotis Pantaris (Chartered Auditors & Accountants Reg. No. 11651) of SOL SA (address: 36, 3rd of September str., 10432, Athens). Furthermore, the financial records of the Company were judged as accurate and true.

The letters of the designated chartered auditors – accountants for the years 2001 and 2002 in connection with the internal audit system and the agreement with the Company's management are as follows:

Year 2001

"The present report was compiled following an audit performed on the financial statements of the corporation under the name "PIRAEUS PORT AUTHORITY S.A." for the year ended on 31.12.2001, on the basis of the Auditing Standards (Government Gazette 1119/B/1979) and the relevant provisions of law, with the main purpose of establishing the extent of auditing procedures to implement in the course of the audit.

Within the framework of our duties, as external auditors and on the basis of the auditing and verification procedures that we implemented according to the said Auditing Standards for the purpose of expressing an opinion on the annual financial statements, we are led to the conclusion that the internal audit process and the accounting organization of the Company are insufficient. Specifically, the system applicable to recording income, monitoring customer balances and managing inventory stocks immediately require significant enhancements.

Until today, no disagreement arose with the Company's management in connection with the matters of our audit."

Year 2002

"In the course of the ordinary audit of the financial statements of the corporation under the name "PIRAEUS PORT AUTHORITY S.A." for the year ended 31.12.2002, we reviewed and evaluated the Company's financial and accounting internal audit, to the extent deemed necessary, such as to be in a position to express an opinion on the system's reliability, as required by the Auditing Standards in force

(Government Gazette 1119B'/1979) and the International Auditing Standards. The exclusive purpose of such review and evaluation was to determine the nature, the timing and the extent of auditing procedures that we deemed necessary to implement, such as to be in a position to express an opinion on the company's financial statements. As a result, our review was significantly more limited compared to a review that would have been required in order to assess the sufficiency of the internal audit system in its entirety.

We note the fact that, due to constraints inherent in any internal audit system, it is possible that mistakes or management irregularities may exist, but not be revealed by the audit. In addition, the future projection of any current assessment on the reliability of a system is faced with the risk that procedures may subsequently prove to be insufficient due to changes in circumstances or due to the fact that the extent of implementation of such procedures may be downgraded in the future.

The satisfactory development of efforts for the enhancement of the Company's internal audit system and accounting organization needs to be intensified, especially as regards procedures and certification systems.

Until today, no disagreement arose with the Company's management in connection with the matters and conclusions of our audit.

Taking into consideration the above, based on the basis of the auditing and verification procedures that we implemented in accordance with the Auditing Standards for the exclusive purpose of formulating an opinion on the annual financial statements, we conclude that we are not aware of any shortcomings which may materially affect the sufficiency and reliability of the accounting organization and financial-accounting internal audit systems of the above company, in connection with the year ended on 31.12.2002."

Designated Auditors' Notes

The notes of the designated Chartered Auditors-Accountants for the first company year that exceeded twelve months, as well as for the years 2001 and 2002, as incorporated in the relevant audit certificates are as follows:

i) Accounting Period 1.6.1999 – 31.12.2000

"1. The share capital of PPA S.A., which was established by Law 2688/1999 by way of the transformation of the Legal Entity of Public Law titled "Piraeus Port Authority", and the entries of accounts of any nature included in its Balance Sheet, will be finalised following the inventory and the valuation to be effected by the Committee of Article 9 of Law 2190/1920, which should have been completed.

2. In our opinion, the outstanding amount of the account "Provisions", i.e. € 23.4 million, does not suffice to cover damages that may be incurred as a result of the non-collection of receivables from claims included in the Balance Sheet, amounting to € 38.6 million, the majority of which is considered as being doubtful, and of non reported liabilities deriving from claims under litigation filed by third parties against the Company, amounting to € 38.1 million approximately.

3. The results of the year: (a) have been increased by the amount of € 12.7 million which pertained to interest income that was due to the former Legal Entity of Public Law, inasmuch as this could not have been included in the books kept by it in view of the accounting system it employed (Public Accounting System); and (b) have been burdened by the amount of € 18.6 million approximately which pertains to expenses for the repair of damages caused by earthquake, part of which should have been related to improvements of fixed assets, although the corresponding amount can not be determined. In any case, the definitive designation of the value of fixed assets will be concluded by way of the imminent appraisal to be effected by the Committee of Article 9 of Codified Law 2190/1920.

4. In view of the fact that analytical accounts were not kept, our audit cannot verify the outstanding balances reported under the “Customers on credit” accounts. On the whole, the process of computerised support required for the improvement of the entire system should be completed immediately.

5. The Company, on the basis of opinion no. 205/1988 stated by the Plenary Session of the Public Legal Counsels, did not effect a provision for compensations of personnel terminating their service due to retirement, because none of the employees was to become entitled to retirement within the next year. If the Company had effected a provision for compensations on the assumption that its entire personnel was to retire from service on 31.12.2000, according to Paragraph 14 of Article 42 (e) of Law 2190 /1920, this would have amounted to € 6.2 million approximately.

6. No tax-audit has been effected with respect to the Piraeus Port Authority as a Legal Entity of Public Law, of which PPA S.A. is the global successor”.

ii) Accounting Period 1.1.2001-31.12.2001

“1. According to its standing practice, the Company reports both non cleared and realized income in the form of accounting entries, and consequently the results of the year and the accounts receivable (from customers in forced collection) appear correspondingly increased. In the present accounting period, the above mentioned income amounted to € 4.9 million approximately. The Company has effected a provision of € 29.3 million for contingent damages that may arise from the non-collection of amounts receivable from customers in forced collection, to which, in our opinion, a further provision should be added, amounting to € 10.3 million approximately, thus correspondingly decreasing the results of the year.

2. According to the records that were provided to us, the claims under litigation filed by third parties against the Company amounted in total to € 88 million approximately, out of which a number of cases with a disputed amount of approximately € 33.3 million in aggregate are estimated as entailing an adverse outcome. In order to account for the damages that may be incurred by it as a result of the above liabilities, the Company has effected a provision of € 19.3 million approximately, which is, in our opinion, not sufficient.

3. In view of the fact that analytical accounts were not kept, our audit cannot verify the balances reported under Assets Account D.II.1 titled “Customers on credit” and under Liability Account C.II.4 titled “Customers’ advance payments”.

4. The internal audit and the accounting organisation of the Company are in need of important improvements, and especially as regards the systems for reporting income in the form of accounting entries, for customer monitoring, and for the management of stocks.”

1. In relation to the entries of the Balance Sheet reported under account D.II.1a titled “Customers in forced collection”, the Company has effected a provision of € 29.347 million approximately for contingent damages that may arise from the non-collection of claims from such customers, to which, in our opinion, a further provision should be added, amounting to € 10.270 million approximately, thus correspondingly decreasing the results of the accounting period.

2. According to the records that were provided to us, the claims under litigation filed by third parties against the Company amounted in total to € 88 million approximately, out of which a number of cases amounting in aggregate to € 32.280 million approximately are estimated as entailing an adverse outcome. In order to cover for the damages that may be incurred by it as a result of the above liabilities, the Company has effected a provision of € 19.310 million approximately, which, in our opinion, is not sufficient.

3. *In view of the fact that analytical accounts were not kept, our audit can not verify the balances reported under Assets Account D.II.1 titled “Customers on credit” and under Liability Account C.II.4 titled “Customers’ advance payments”.*

4. *The internal audit and the accounting organisation of the Company are in need of important improvements, and especially as regards the systems for reporting income in the form of accounting entries, for customer monitoring, and for the management of stocks.”*

iii) Accounting Period 1.1.2002-31.12.2002

1. *In connection with balance sheet item D.II.10 “Doubtful Customers and Debtors in Litigation” the Company has established a provision for potential damages arising from non collection, of an amount of € 30,032,610.22, which, in our opinion, should have been increased by € 13,000,000, with a corresponding impairment of the year’s results.*

2. *In accordance with the data that were made available to us, claims in litigation against the Company, of an aggregate disputed amount of € 37,447,000 are assessed as potentially entailing an adverse or uncertain outcome for the Company; in order to cover such potential damages, the Company has established a provision of approximately € 19,310,000, which, in our opinion, should have been increased by approximately € 10,000,000, with a corresponding impairment of the year’s results.*

3. *The efforts for the enhancement of the internal audit and accounting organization systems are progressing at a satisfactory rate, but need to intensify and be completed, especially in terms of processes, so as to ensure fully the regular and more efficient operation of the company.*

Notes by the Company to the financial statements

The Company’s own notes to the financial statements for the years 2000, 2001 and 2002, as recorded on the published financial statements are as follows:

i) Accounting Period 1.6.1999 – 31.12.2000

1. *Until the time of compilation hereof, the Committee under Article 9 of Law 2190/1920 that is provided to be established under Article 5, par. 3 of the Company’s Articles of Incorporation for the inventory and valuation of the assets that transferred to PPA S.A. by Piraeus Port Authority as a Legal Entity of Public Law, was not formed.*

2. *As a result of the above: (a) the above accounts of Assets and Liabilities incorporate the accounting balances of Piraeus Port Authority as a Legal Entity of Public Law, as of 31.5.1999; (b) fixed assets accounts include accumulated depreciation for the period until 31.5.1999; and (c) depreciation on such assets has been calculated on the basis of the value of assets net of depreciation, while historic cost has been the basis of calculation of depreciation in connection with fixed assets acquired by PPA S.A. during the period 1.5.1999-31.12.2000”*

ii) Accounting Period 1.1.2001-31.12.2001

1. *The Company was created following the transformation of the Legal Entity of Public Law titled “Piraeus Port Authority”, and is the global successor of the said Authority, according to Law 2688/1999, as amended and currently in force. The Company’s net worth, which rose to € 239.3 million on the basis of the balance sheet for the first company year (31.12.2000), was finally determined by the valuation Committee of Article 9 of C.L. 2190/1920 to rise at € 118.3 million as at 31.1.2001 and includes the share capital, the reserves and the balance of past years’ earnings carried forward. The Company’s share capital and tax-exempt reserve under Law 2881/2001 was definitively set on the basis of the resolution of*

a shareholders' meeting dated 7.8.2001.

2. *On 13.2.2002 a concession agreement was executed in accordance with Article 35 of Law 2932/2001 in connection with the grant of the right of use and exploitation of the infrastructure and real property lying within the area of the Port of Piraeus.*

3. *Depreciation for the present accounting period was calculated on the basis of the coefficients that are in effect according to the provisions of Presidential Decree 100/98 and of Article 34 of Law 2937/2001 on the basis of the new historic cost values that were established by the valuation committee of Article 9 of Law 2190/1920; as a result, depreciation is reduced by € 11.7 million compared to the previous year and results of operation are correspondingly increased.*

4. *The Company has been audited for tax purposes for the periods until 31.12.2000.*

5. *The entries of the balance sheet for the previous year related to an accounting period of nineteen (19) months and were modified by the valuation Committee of Article 9 of Law 2190/1920; as a result, such figures are not comparable to those of the current year.*

iii) Accounting Period 1.1.2002 – 31.12.2002

1. *The agreement provided for by Article 35 of Law 2932/2001 for the concession of the rights of use and exploitation over the lands, buildings and installations that lie within the Piraeus Port area is in effect as from 13.02.2002. The Company's results of operation were reduced by the amount of € 1,396,887.25 as a result of payment of the concession fees due under the said Agreement.*

2. *The Company has been subject to tax audit with respect to the years up until 31.12.2001.*

4.5 Tax Audits Results

The Company has been audited for all tax purposes for all periods, including the most recent accounting period 2001-2002 and its financial data have been judged as being definitive, sincere and accurate.

The Chartered Auditor-Accountant who effected the extraordinary financial and accounting audit observes:

“1. From the review of the reports of the tax audits pertaining to income tax and the Code of Books and Records, for the accounting period that ended on 31.01.2001 we did not detect any reservations or other references to potential future liabilities of the Company.

2. The definitive tax audit that has been conducted in the Company's books and records up to and including the 2001 company year accepted the integrity of such books and conducted an audit on the basis thereof. As a conclusion, we may state that the financial data derived from the books of account of PPA S.A. have been judged by the tax audit to be definitive, true and accurate.”

As a Legal Entity of Public Law, Piraeus Port Authority was exempted from the obligation to submit income tax returns, on the basis of Article 3 of Compulsory Law 1559/1950, which stipulates that Piraeus Port Authority enjoys all privileges, exemptions and immunities enjoyed by the Greek State in all its Public and Private dealings and transactions. In particular, according to indent (g) of the said Article, Piraeus Port Authority is not subject to any taxes, duties, fees, contributions, withholdings, and charges of any nature in general, existing or future, whether levied in favour of the Greek State, local government organisations or any other third party. The contracts, legal acts, and all transactions between the Authority and third parties in general, as well as all documents, receipts, legal deeds, reports and applications of the Authority, are not subject to stamp duty. Also, the Authority is not subject to import duties and any ancillary duties, fees, withholdings upon default, or any other sort of charges in favour of the Greek State

or other third parties, for any and all imports of machinery, supplies, and any other material of whatever nature destined for the works and installations of the port, and for the functions, maintenance and operations of the Piraeus Port Authority in general.

Notwithstanding all of the above, as a Legal Entity of Public Law, Piraeus Port Authority was under an obligation to withhold and return income tax in relation to income of third parties (e.g. particularly the salaried employees income tax), a fact that accounts for the submission on its part of periodical returns of withholding tax that nevertheless pertained to the income of third parties. As regards the Company's tax position, in the updating report of the audit effected, the Law Firm that performed the legal due diligence observes:

“The Piraeus Port Authority, as a Legal Entity of Public Law, enjoyed until 31.05.1999 all the privileges of the Greek State and was not subject to income tax. It was, however, audited for all other taxes to which it was subject...” “...Since its transformation into a Corporation on 01.06.1999 the Company was also audited by the Greek National Tax Audit Centre for the fiscal years 2000 – 2001 and for the fiscal year 2002.”

Tax audit of the accounting period exceeding twelve months (1.5.1999 – 31.12.2000)

The differences that arose with respect to the period 01.06.1999 – 31.12.2000 according to the findings of the tax audit effected, amounting to € 1.3 million approximately, were accepted and transferred to the results of the year 2001, in the account of past years' results. Out of this amount, a total of € 79,000 pertains to various expenditures which do not bear VAT set-off/refund rights, while the sum of € 1.2 million pertains to a debit balance of the Authority carried forward (on 31.05.1999), which was not accepted as refundable since the relevant audit deemed that the books and records kept by Piraeus Port Authority before its transformation into a Corporation (i.e. for the period this balance is pertinent to), were not sufficient to support its deduction.

The corresponding charge that derived in relation to income tax, following a settlement, amounts to € 4.8 million approximately (out of which € 3.59 million pertain to tax audit disputed amounts, € 1.2 million pertain to an income tax advance payment, and the balance of € 4,100 pertains to fines and surcharges). By virtue of the Tax Dispute Settlement Act dated 14.09.2001, the Company accepted the above amount, which was paid-in on 17.09.2001.

Tax audit for the year 2001

The income tax differences that arose according to the findings of the tax audit effected with respect to the year 2001, following settlement, came to a total of € 1.62 million approximately (plus an income tax advance payment of € 874,000). Out of this, € 1.59 million pertain to tax audit differences and the balance of € 293,000 pertains to fines and surcharges. By virtue of the Tax Dispute Settlement Act dated 07.06.2002, the Company accepted the above amount, which was paid-in on 10.06.2002. Such amount was accounted for in the year 2002.

According to the chartered auditor-accountant who conducted the extraordinary financial and accounting audit:

“The significant penalties and surcharges that resulted from the tax audits arose from accounting differences assessed by the tax audit, especially relating to:

- *The non recognition of deductibility of benefits paid to personnel, due to the non productivity of such expense and the absence of supporting documentation, as opined by the tax auditors;*
- *The non recognition of deductibility of promotional expenses of the Company, due to the non productivity of such expense and the absence of supporting documentation, as opined by the tax*

auditors.

- *The non recognition of fixed asset depreciation, due to the non recording of depreciation in a certified fixed assets registry and the consequent difficulty in auditing verification. “*

Tax audit for the year 2002

On the basis of the findings of the tax audit that was performed in connection with the year 2002, which related to all matters of taxation, fines, taxes and surcharges of approximately € 773,000 arose (plus a tax advance payment of € 431,000). The Company accepted and paid such amount, by virtue of a tax settlement act, dated June 26, 2003.

The said amounts will be reported on the Company's books of account during the year 2003.

5. Procedure for the Offering of Existing Shares

5.1 General Information on the Offering

The admission of the shares of the Company titled “Piraeus Port Authorities SA” to the Main Market of the Athens Exchange and the sale of existing shares of the Company owned by the Greek State was decided pursuant to the resolution adopted by the Extraordinary General Meeting of the Shareholders of PPA SA on 05.02.2002, and on the basis of Decisions nos. 21/17.01.2002 and 29/09.07.2003 by the Inter-Ministerial Privatisation Committee, composed of the Ministers of National Economy & Finance, Development, and Merchant Marine.

Specifically, it was determined that:

- Shares issued by the Company are to be admitted to the Main Market of the ASE following the sale by the Greek State (in its capacity as sole shareholder) of part of the existing shares it owns, corresponding in total to 25.5% of the Company’s paid-in share capital, i.e., a total of 6,375,000 ordinary registered shares, of a nominal value of € 2 each and amounting in aggregate to a nominal value of € 12,750,000.
- The Selling Shareholder will offer for sale 6,072,000 existing ordinary registered shares of the Company, corresponding in total to 24.29% of its paid-in share capital, through a Public Offering and according to the provisions of the legislation currently in force.
- The Selling Shareholder will offer for sale a maximum of 303,000 ordinary registered shares of the Company, corresponding to 1.21% of its existing paid-in share capital, by way of a Private Placement, to the employees of the Company, at a sale price reduced by 20% compared to the price that will be established from the Public Offering, subject to the condition that the shares acquired by employees through the Private Placement will not be transferred prior to the lapse of six (6) months as of the date of registration of the original transfer of the shares with the Central Securities Depository.
- Out of the total number of shares offered by Private Placement, shares not sold by Private Placement may be added to the number of shares offered for sale by the Public Offering.
- The same resolution adopted by the Extraordinary General Meeting of the Shareholders on 05.02.2002, taking into consideration the Selling Shareholder’s relevant authorisation that is incorporated in the stipulations of Decision no. 21/17.01.2002 issued by the Inter-Ministerial Privatisation Committee, empowers the Company’s Board of Directors to determine, by adopting a special resolution on behalf of the shareholders, the exact number of shares that will be offered for sale to each employee participating in the Private Placement, as well as any details associated with the Private Placement, including any facility that may be provided to the employees for that purpose.
- The procedure applicable to the placement of the shares with investors will be in accordance with the provisions of legislation currently in force as regards; the approval of the price range within which institutional investors will be called upon to place their bids, and the sale price for the shares will be determined by the Minister of Finance and the Company’s Board of Directors following a relevant proposal by the Lead Arrangers, on the basis of the competitive bidding process (Book Building procedure) and according to the provisions of legislation currently in force, combined with the Decision issued by the Inter-Ministerial Privatisation Committee under protocol no. 21/17.01.2002.
- The Company will bear the fees of the independent auditors and persons performing the legal due diligence with respect to the admission of the Company’s shares for trading on the Athens Exchange (ASE).
- The Board of Directors is further authorised to represent the Company before the Hellenic Capital Markets Committee, the Board of Directors of the ASE, the Central Securities Depository, the Lead Arrangers and the Advisor to the issue, as well as any other third party involved, for purposes of countersigning the Offering Memorandum, providing records and data of any nature, adopting all

necessary resolutions, and in general, for the purpose of entering on behalf of the Company upon any act, action, or procedure required with respect to the admission of the Company's shares to the Main Market of the ASE and the initiation of their trading on such market.

It is noted that the Decision issued by the Inter-Ministerial Privatisation Committee under protocol no. 29/07.07.2003, stipulates that: "... by way of a decision to be issued by the Minister of Finance, any private individuals (excluding institutional investors) who will invest in shares of the Company in the course of the Public Offering, will be granted a securities retention incentive, consisting in one (1) bonus share for every ten (10) shares they retain for a continuous period of six (6) months as of the date of registration of the transfer of their shares with the Central Securities Depository, up to a maximum number of two hundred (200) bonus shares per investor".

In view of the fact that, in the relevant Decision issued by the Inter-Ministerial Privatisation Committee no distinction is made between the employees employed under labour agreements of definite and indefinite duration, according to the opinion of the Lead Arrangers, the Private Placement is open to all categories of employees for reasons of equal treatment. The members of the Company's Board of Directors are not excluded from those entitled to participate in the Private Placement, provided they are also employed by PPA SA at the same time (e.g. representatives of the employees). Finally, it is clarified that pensioners of the Company are not entitled to participate in the Private Placement.

The nominal value of the shares offered for sale has been set to € 2 each.

New shareholders shall be entitled to collect dividend from the profits of the year 2003.

5.2 Listing (Sale) Price

The listing price will be determined on the basis of the competitive bids that will be placed by institutional investors and registered in the Book of Competitive Bids ("Book Building" procedure). The procedure in question will be applied only in relation to that part of the Offering that pertains to institutional investors. The sale price will be announced through mass media in Greece, at the latest on the working day immediately following the date of completion of the Public Offering and before the opening of such day's session in the ASE (Paragraph 2 of Article 4 of Presidential Decree 348/1985, as currently in force).

The designation of the definitive price range will be approved by the Minister of Finance and the Board of Directors of the Company following a relevant proposal by the Lead Arrangers, and will be announced through the Press, at the latest on the day immediately preceding the starting date of the Public Offering period. The maximum offer price within the definitive price range will not exceed the minimum price by more than 15%.

The designation of the sale price for the shares will be approved by the Minister of Finance and the Board of Directors of the Company following a relevant proposal by the Lead Arrangers on the basis of the competitive bidding process (Book Building procedure) and according to the provisions of legislation currently in force.

The sale price for the shares will be the same for all investors participating in the Placement of Shares, with the exception of:

a) a maximum of 303,000 shares that will be offered by Private Placement to the employees of the Company with a discount of 20% on the sale price that will be established from the Public Offering, as provided for by the Decision issued by the Inter-Ministerial Privatisation Committee under protocol no. 21/17.01.2002 and the resolution adopted by the Extraordinary General Meeting of the Shareholders of the Company on 05.02.2002.

b) the shares that will be sold by Public Offering to the bearers of 2000-2004 Hellenic Republic privatization certificates (denominated in drachmas or euros), at a discount of 5% on the sale price, as was provided for by the terms of issuance of the Hellenic Republic privatization certificates in October 1998.

Institutional investors will place their bids for shares of the Company through the Lead Arrangers and Other Underwriters within the definitive price range that will have been approved by the Minister of Finance and the Board of Directors of the Company following a relevant proposal by the Lead Arrangers and announced through the Press at the latest on the day immediately preceding the starting date of the Public Offering period.

The Lead Arrangers and Other Underwriters will proceed to the arrangement of pre-marketing presentations, so as to secure the participation of institutional investors with a view to determining the range of prices within which the institutional investors will place their bids per share in the Book of Competitive Bids (Book Building procedure).

In any case, the sale price of the shares offered by Public Offering will be determined at a price ranging between the maximum and minimum offer prices of the initially announced price range.

5.3 Procedure for the Placement of Offered Shares

5.1.1 Sale of Shares by Private Placement

The resolution adopted by the Extraordinary General Meeting of the Shareholders of the Company on 05.02.2002 and the Decision issued by the Inter-Ministerial Privatisation Committee on 17.01.2002 provide for the sale of a maximum of 303,000 shares by Private Placement to the employees of the Company.

The sale price for the Private Placement will be reduced by 20% compared to the price that will be established from the Public Offering. The employees are bound³ to not transfer the shares acquired

³ By way of its resolution under number 126/17.06.2002, the Company's Board of Directors decided to place with its employees, through a private placement, 303,000 common registered shares in the Company, representing 1.21% of the Company's paid-in share capital. The offer price for such shares was decided to be reduced by 20% compared to the price of the public offering, "subject to non disposal by the employees of the shares to be allotted to them through the private placement for a period of six (6) months as of the date of registration of the shares with the Central Securities Depository. The above resolution was adopted with an express reference to Decision number 21/17.1.2002 of the Inter-Ministerial Privatization Committee, whereby it was decided to "Place with employees of the Company, by way of a private placement, up to an aggregate number of 303,000 shares, which represent 1.21% of the Company's existing share capital, at a price reduced by 20% compared to the price of the public offering. Employees are bound to not transfer the shares they will acquire through the private placement for a period of six (6) months as of the date of registration of the shares with the Central Securities Depository. The exact number of shares to be allotted to each employee in the course of the private placement, as well as detailed issues of such placement and of any credit facility to be extended to employees shall be determined by way of a resolution of the Company's Board of Directors. Shares not allotted in the course of the private placement may be carried over for distribution in the public offering (par. 3)". Such latter decision is in compliance with the provisions of Law 3049/2000 re: privatization and other matters, whereby it is stipulated that "The decision of the Inter-Ministerial Privatization Committee for the privatization of a State enterprise determines the nature and extent of , as well as the manner and the procedure applicable to the privatization, together with the criteria for the evaluation of offers and may prescribe in particular: (e) the offering of part of the shares of the Greek State in the undertaking being privatized to such undertaking's employees, pensioners and members of the Board of Directors. The terms of the offer, the conditions applicable to the acquisition of shares by persons named in the previous indent, the price and the time of payment, as well as the potential free distribution of shares are all decided by the Inter-Ministerial Privatization Committee, which may delegate such task to a competent management body of the undertaking being privatized. In the event the decision of the Inter-Ministerial Privatization Committee provides for an obligation of the said categories of persons to retain their shares for a specified period of time, then such restriction is noted in the Book-Entry Securities Clearing System of the Central Securities Depository. The Hellenic Capital Markets Commission may issue a resolution for the implementation of the above.

through the Private Placement prior to the lapse of six (6) months from the date that the original transfer of their shares is registered with the Central Securities Depository. Specifically, shares to be allocated in the course of the Private Placement shall remain blocked for a period of six (6) months as of the date of registration of the initial transfer with the Central Securities Depository.

By virtue of its Decision no. 21/17.1.2002, the Inter-Ministerial Privatizations Committee has authorized the Company's Board of Directors to specify by way of a special resolution, on behalf of the shareholder, the exact number of shares to be allotted to each employee in the course of the private placement, as well as any details concerning the private placement and any credit to be provided to the employees for such purpose.

In the event that the Company's employees do not take up the total of shares to which they are entitled, the balance of unsold shares will be allotted to the Public Offering.

The sale of shares by Private Placement will be completed prior to the opening of the Public Offering, according to Article 3 of Presidential Decree 350/1985, as currently in force. The value of the shares will only be finalised when the Public Offering and the Book Building process have been completed, following the determination of the sale price.

It is noted that the employees of the Company are allowed to participate in the Public Offering as well, on equal terms with all other investors.

5.1.2 Sale of Shares to Non Institutional Investors

The subscription of non institutional investors will be conducted at the branches of the syndicate of Lead Arrangers and Other Underwriters from the first and until the last day of the Public Offering period, through the following procedure:

In order to help achieve the desired broad distribution of the shares placed by Public Offering, the following procedure will be applied, according to the stipulations of the Decision no. 9/201/10.10.2000 (Gov. Gaz. 1419/22.11.00) issued by the Hellenic Capital Markets Committee, as in force.

Given that a security of ten (10) shares will be set as the trading unit on the Athens Exchange, each investor will be able to sign up for a minimum of one (1) trading unit (i.e., for 10 shares), or for integral multiples of one trading unit (i.e., for 20, 30, 40 shares, and so on).

The maximum limit of shares for which each investor may sign up is the total of the shares placed for sale by Public Offering, i.e., 6,072,000 shares.

In order to be entitled to participate in the Public Offering, investors are required to keep an active Investor Ledger and a Securities Account in the Book-Entry Securities Clearing System in order for the shares they acquire to be registered. The code number of the Investor Ledger and the number of the Securities Account will have to be included in the subscription application. Furthermore, investors are required to designate a member of the Athens Exchange who will act as Operator in connection with the shares that will be allotted to them, by filling-in the Operator's code number on the subscription application. In case an investor does not wish to designate an Operator, the subscription application must bear the code number of the Central Securities Depository (999) in order for the acquired shares to be transferred to the Special Account of the particular investor's Ledger, over which the Central Securities Depository shall then act as Operator. It is however recommended that investors do designate an Operator on their subscription application, so as to avoid the transfer of their shares to the Special Account, in order to be able, immediately after the opening of the shares' trading, to effect transactions on the shares allotted to them. Attention is drawn to the fact that in case where the subscription application submitted by an investor does not bear the Code Number of the Investor Ledger, the Number of the Securities Account, or the Code Number of the designated Operator, or in case where the numbers filled-in are

incorrect, no shares shall be allotted to the particular investor.

All non institutional investors interested will sign up for the shares on offer at the branches of the Lead Arrangers and Other Underwriters by submitting the relevant subscription application. Copies of the Offering Memorandum will also be distributed at the branches of the Lead Arrangers and Other Underwriters in Greece, as well as at the offices of the ASE. The dates of opening and termination of the subscription period, as well as the specific branches of the Lead Arrangers and Other Underwriters that will be accepting subscription applications, will be promptly announced in time through the Press.

All non institutional investors will sign up for shares at the maximum offer price of the price range, with the exception of bearers of Hellenic Republic privatization certificates (and privatization certificates denominated in Euros) 2001-2004, who will sign up for shares at a price reduced by 5% compared to the maximum offer price of the price range.

Investors cannot participate in the Public Offering by means of personal cheques or blocking of or otherwise creating security interests on other negotiable instruments and securities such as mutual fund units, or by providing any other form of security such as bank guarantees, a pledge on negotiable instruments, fiduciary assignment of claims, etc. In addition, the applications will only be accepted on the condition that the applicant investors are the beneficiaries or joint beneficiaries of the accounts or assets blocked in relation to their participation.

Once the number of shares that each investor is entitled to acquire and the sale price of the shares have been definitively determined, any excess amounts previously advanced will be refunded to the beneficiary and the amounts blocked in deposit accounts or book-entry securities accounts will be released; at the same time deposit accounts will be debited or payment of the amount corresponding to the value of the shares allotted to the investor, as the case may be, by the same branches of the banks or the Securities Broker where the subscription application had initially been submitted. The amounts blocked in deposit accounts remain subject to the terms of the original deposit (regarding the term, interest rates, etc.); similarly the refund of any excess cash amounts advanced will be paid together with interest thereupon (on the basis of the respective interest rates applicable per bank and category of deposit).

In the event that, following the completion of the Public Offering, the same person is found to have submitted more than one subscription applications (this pertains exclusively to the Public Offering to persons other than bearers of Hellenic Republic privatization certificates and does not include subscriptions submitted by the Company's employees in the Private Placement), on the basis of entries to the book-entry securities clearing system and/or demographic data of the person subscribing, as well as in those cases where the Lead Arrangers may ascertain investor fraud for the purpose of achieving multiple subscriptions, the entirety of such subscriptions will be treated as a single subscription, on the responsibility of the Lead Arrangers.

The Company and the Lead Arrangers pledge that both as regards the Private Placement and the Public Offering, Resolution no. 25 adopted by the ASE Board of Directors will be complied with.

Any potentially additional details regarding the subscription procedure will be included in the announcement to be made through the Press.

5.1.3 Sale of Shares to Institutional Investors

The competitive bids process will last from the first and until the last day of the Public Offering period.

The subscription applications of institutional investors in the Offer Book, to be submitted through the Lead Arrangers, shall take place on the basis of the following procedure and may alternatively include, either:

- the number of shares that the investor wishes to acquire, at the offer price per share which will be established from the procedure,
- the aggregate value of the shares that the investor wishes to acquire irrespective of the sale price per share which will be established from the procedure,
- the number of shares or the aggregate value and the maximum price that the investor wishes to pay per share, or
- up to three alternative numbers of shares along with (at least) two or (not more than) three maximum prices per share, one for each number of shares.

Additionally, it is noted that institutional investors who are bearers of Hellenic Republic privatization certificates (including those denominated in euros) 2001-2004 can also place their bids in one of the ways described above by submitting an application – statement of intention for the exchange of Hellenic Republic privatization certificates at prices and values that are derived before the deduction of the 5% discount which is granted in connection with the exchange of the above mentioned privatization certificates.

Subscription applications placed by institutional investors will be registered during the Book Building procedure in the Book of Competitive Bids of the Public Offering, which will be run by the bank EFG Eurobank Ergasias SA for the purposes of determining the quantities of shares in demand at various price levels, as well as the total number of shares in demand.

Throughout the Book Building procedure, institutional investors will be able to modify their subscription applications. All institutional investors interested in acquiring additional information may address inquiries relevant to the procedure to be followed for the placement and modification of their subscription applications at the offices of the Lead Arrangers and Other Underwriters.

The Book of Competitive Bids will close on the last day of the Public Offering period (at 4:00 p.m., Athens time), at which time all subscription applications placed, as they then stand, will be considered as definitive.

All institutional investors who will acquire shares (other than bearers of Hellenic Republic privatization certificates) will pay-in the amount equivalent to the shares allotted to them within the term that will be set by the Lead Arrangers and Other Underwriters. In any case, the funds will be paid-in to the Selling Shareholder prior to the initiation of the shares' trading in the ASE. The payment of such funds to the Selling Shareholder will be guaranteed by the Lead Arrangers and Other Underwriters.

5.1.4 Sale of Shares to Bearers of Hellenic Republic Privatization Certificates

Hellenic Republic Privatization Certificates denominated in euros 1998-2003

In 1998, the Greek State placed with foreign institutional investors an issue of privatization certificates, of an aggregate face value of € 500 million, maturing on 09.10.2003 (Hellenic Republic Privatization Certificates denominated in euros). These euro-denominated privatization certificates may be exchanged for shares of companies owned by the Greek State or the Greek Public Securities Corporation (DEKA). In this Public Offering, these Hellenic Republic privatization certificates denominated in euros can be exchanged for shares of the Company (owned by the Greek State or the Public Securities Corporation) at a sale price reduced by 5% compared to the price at which shares will be sold to other investors within the same category (institutional, non institutional investors) who are not bearers of Hellenic Republic privatization certificates denominated in euros or Hellenic Republic privatization certificates 2001 – 2004 denominated in drachmas.

According to the terms and conditions of issuance and placement of the Hellenic Republic privatization certificates denominated in euros, at least 40% of the shares offered by the Greek State and/or DEKA through a Public Offering in Greece are to be allotted to investors who are bearers of Hellenic Republic

privatization certificates denominated in euros, provided there is sufficient demand.

According to the same terms and conditions, the bearers of Hellenic Republic privatization certificates denominated in euros who acquire shares in the Public Offering in accordance with the terms of the offer by means of exercising their rights to exchange their Hellenic Republic privatization certificates denominated in euros, will be entitled to at least the same rights and benefits available to any other purchaser of shares in the same category of the same Public Offering, and the shares acquired by such bearers according to what is described above will be treated in every respect equally with all other shares placed through the same Public Offering.

According to the Offering Memorandum for the Offering of the Hellenic Republic privatization certificates denominated in euros, in this particular sale the number of the Company's shares that bearers of Hellenic Republic privatization certificates denominated in euros are entitled to acquire for each Hellenic Republic privatization certificates denominated in euros they exchange, is calculated on the basis of the following formula:

Current Value of the euro-denominated Privatization Certificates in euros / (Sale Price per Share in euros – Discount)

where the Current Value of the euro-denominated privatization certificates in euros is calculated as follows:

$IP + I + [(DSI * (RA - IP))/TND]$, where:

- IP is the nominal value of the Hellenic Republic privatization certificates denominated in euros
- I is the amount of the accumulated accrued and non paid-in interest
- DSI is the number of days on a 30/360 basis, of the period commencing on the date of issuance of the Hellenic Republic privatization certificates denominated in euros and expiring on (but not including) the date of calculation of the current value
- TND is the number of days on a 30/360 basis, including the date of issuance of the Hellenic Republic privatization certificates denominated in euros up to, but excluding, their maturity date
- RA is the amount upon the date of maturity
- The Current Value of each Hellenic Republic privatization certificate denominated in euros, with a nominal value of € 1, as at July 25, 2003, for the purposes of this Offering, as was communicated by the Greek State to the bearers of Hellenic Republic privatization certificates denominated in euros through the Press, was set to € 1.022189.
- Sale Price per Share is the price as defined in subchapter 5.2 of this Chapter, for the various categories of participants.
- Discount is the amount that will be deducted from the Sale Price per Share applicable in each case, which, expressed as a percentage, will amount to 5% thereof.

In the event that the total value of the shares allotted to a bearer of Hellenic Republic privatization certificates denominated in euros is less than the value of the Hellenic Republic privatization certificates denominated in euros blocked in view of the exchange, the Greek State assumes the responsibility to release to the benefit of the beneficiary all integral non exchanged Hellenic Republic privatization certificates denominated in euros prior to the lapse of ten (10) working days from the date of the final allotment, according to the terms and conditions described in the Offering Memorandum for the Placement of the Hellenic Republic privatization certificates denominated in euros.

All bearers of Hellenic Republic privatization certificates denominated in euros, apart from participating in the Public Offering with a view to acquiring shares of the Company by way of exercising their right resulting from their capacity as such bearers, are entitled to participate in the Offering as well, as ordinary

investors (non-bearers of Hellenic Republic privatization certificates denominated in euros); in that case, their subscriptions submitted with and without Hellenic Republic privatization certificates denominated in euros will not be aggregated.

Hellenic Republic Privatization Certificates 2001 - 2004 denominated in drachmas

In October 2001, the Greek State also placed with institutional investors, both Greek and foreign, an issue of privatization certificates of an aggregate face value of € 1,700 million, with a three-year tenor expiring on 04.10.2004 (Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas). Similarly to the Hellenic Republic privatization certificates denominated in euros, these Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas, can be exchanged for shares of companies that are owned by the Greek State or the Greek Public Securities Corporation (DEKA). In this Offering, these Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas can be exchanged for shares of the Company (owned by the Greek State or DEKA) at a sale price reduced by 5% compared to the price at which shares will be sold to investors within the same category (institutional, non institutional investors) who are not non bearers of Hellenic Republic privatization certificates denominated in euros or Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas.

According to the terms and conditions of issuance and placement of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas, the bearers of such drachma-denominated bonds are entitled to a priority allotment with regard to at least 40% of offered shares remaining for sale after the shares allotted by priority to the bearers of Hellenic Republic privatization certificates denominated in euros have been subtracted. Furthermore, the bearers of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas are also entitled to priority allotment with regard to those shares offered of the Company with respect to the allotment of which the bearers of Hellenic Republic privatization certificates denominated in euros were entitled to a priority right, but did not exercise it, provided that the aggregate number of these privatisation shares and the other shares allotted as described above, i.e., by priority to the bearers of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas, may not exceed a maximum percentage of 40% of the total number of shares owned by the Greek State and offered for sale.

According to the Offering Memorandum for the Placement of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas, in this particular Offering the number of the Company's shares that bearers of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas are entitled to acquire for each Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas they exchange, is calculated on the basis of the following formula:

Current Value of the drachma-denominated Privatization Certificate in euros / (Sale Price per Share in euros – Discount)

where the Current Value of the drachma-denominated privatization certificate in euros is calculated as follows:

$IP + [(DSI / TND * (NA - IPC))]$, where:

- IPC is the sale price of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas
- DSI is the number of days on a 30/360 basis from, and including, the date of issuance of the Hellenic Republic privatization certificates 2001 – 2004 denominated in drachmas up to the date when the calculation is made on the basis of this formula, and such value is accounted, up to, but not including, the date of calculation of the current value

- TND is the number of days on a 30/360 basis from, and including, the date of issuance of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas and up to, but not including, their maturity date
- NA is the nominal value of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas
- The Current Value of each Hellenic Republic privatization certificate 2001 - 2004 with a nominal value of € 1, has been set at € 0.954605 as at July 25, 2003, for the purposes of this placement, as was communicated by the Greek State to the bearers of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas through the Press.
- Sale Price per Share is the price as defined in subchapter 5.2 of this Chapter, for the various categories of participants.
- Discount is the amount that will be deducted from the Sale Price per Share applicable in each case, which, expressed as a percentage, will amount to 5% thereof.

In case where the total value of the shares offered and allotted to a bearer of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas is less than the value of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas blocked in view of the exchange, the Greek State assumes the responsibility to release to the benefit of the beneficiary all integral non exchanged Hellenic Republic privatization certificates prior to the lapse of ten (10) working days from the date of the final allotment, according to the terms and conditions described in the Offering Memorandum for the Placement of the Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas.

All bearers of Hellenic Republic privatization certificates 2001 – 2004 denominated in drachmas, apart from participating in this Offering with a view to acquiring shares of the Company by way of exercising their right resulting from their capacity as such bearers, are in addition entitled to participate in this offering as ordinary investors (non bearers of Hellenic Republic privatization certificates 2001 – 2004 denominated in drachmas), without their subscriptions submitted with and without Hellenic Republic privatization certificates 2001 – 2004 denominated in drachmas being aggregated.

5.4 General Information on the Allotment of the Offered Shares

The number of shares to be allotted to retail investors and the number of shares to be allotted to institutional investors, will be determined on the basis of the demand that will be expressed within each category of investors.

According to the terms and conditions governing the issuance by the Greek State of privatization certificates (denominated in drachmas or euros), pursuant to Article 10 of Law 2642/1998:

A) Initially, a minimum percentage of 40% of the total of existing shares offered for sale, including any additional shares offered in case of excess demand, will be allotted by priority to investors bearing Hellenic Republic privatization certificates denominated in euros (issued in 1998 and with a maturity date in 2003) who have submitted an application for the exchange of the Hellenic Republic privatization certificates denominated in euros with existing shares offered for sale.

B) Subsequently, a minimum percentage of 40% of the remaining existing shares offered for sale (i.e. those remaining after the number of shares allotted by priority, according to what is described above, to the bearers of Hellenic Republic privatization certificates denominated in euros has been subtracted from the total number of existing shares offered for sale), will be allotted by priority to investors bearing Hellenic Republic privatization certificates 2001- 2004 denominated in drachmas. Furthermore, those existing shares offered for sale over which the bearers of Hellenic Republic privatization certificates denominated in euros were entitled to a priority right but did not exercise it, will also be allotted by priority to the bearers of Hellenic Republic privatization certificates 2001- 2004 denominated in

drachmas, provided however that the aggregate number of these existing shares offered for sale and the other existing shares offered for sale allotted by priority, as described above, to the bearers of Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas, may not exceed a maximum percentage of 40% of the total number of the existing shares offered for sale. In case of excess demand, within each category of bearers of Hellenic Republic privatization certificates, a proportionate allotment of the shares available for allotment will be effected on the basis of the respective demand within each category.

Thereafter, all remaining shares will be allotted to non bearers of privatization certificates.

The Company and the Lead Arrangers certify that the stipulations of Resolution no. 25 adopted by the ASE Board of Directors will be complied with.

On the basis of Resolution no. 57/22.09.2000 adopted by the ASE Board of Directors (Gov. Gaz. 88B/31.01.2001), the Lead Arrangers will complete the procedure by submitting to the Athens Exchange all documents and records required for the approval, by the ASE Board of Directors, of the request for the admission of the shares of the Company to the ASE, within five (5) working days from the date of termination of the Public Offering period. The initiation of trading of the Company's shares on the ASE will be effected within fifteen (15) calendar days from the date of the approval of admission of the shares by the ASE Board of Directors, provided that the Central Securities Depository shall credit the securities to the investors' accounts.

The delivery of the shares is effected by way of definitive registration in the Securities Accounts of the beneficiaries. The registration of the shares in the Securities Accounts of the beneficiaries will be effected immediately after the completion of all relevant procedures and will be promptly communicated by an announcement of the Company through the Press at least one working day prior to the initiation of the shares' trading on the Athens Exchange. The number of shares that will be allotted to each investor will correspond to one or integral multiples of trading units.

5.1.1 Allotment of Shares to Institutional Investors

The allotment of the shares offered for sale will be effected by the Lead Arrangers in co-operation with the Selling Shareholder, after taking into consideration various factors, the most important among which are the demand for the shares and the intention to ensure a satisfactory medium-term trading record of the share on the stock exchange.

With respect to the allotment of shares to the institutional investors that will participate in the Book Building procedure, the Lead Arrangers will proceed to an evaluation of the bids (subscription applications) placed, taking into consideration, among other things, the following indicative criteria:

- the type of the institutional investor,
- the time when the bid was placed,
- the volume of the offer made,
- the price offered and in particular the effect of the bids placed by an institutional investor on the establishment of an attractive price,
- the trading conduct of the institutional investor in previous cases of sales of shares and the estimated conduct after this sale.

It is stressed that no obligation exists for the acceptance of bids, either on a proportionate, or any other basis.

The Lead Arrangers and Other Underwriters and the Issuance Advisor, as well as all undertakings affiliated with them, are excluded from the allotment of shares, with the exception of Portfolio Investment Companies, insurance companies and Mutual Fund Management Companies, provided that the latter sign

up for shares on behalf of the mutual funds they manage. It is noted however that the above affiliates of the Underwriters, the Underwriters and the Issuance Advisor are entitled to participate in the Public Offering and the allotment of the shares in their capacity as bearers of Hellenic Republic privatization certificates denominated in euros or Hellenic Republic privatization certificates 2001 - 2004 denominated in drachmas and/or Euros.

5.1.2 Allotment of Shares to non Institutional Investors

During the allotment of the shares offered for sale by Public Offering to natural persons or legal persons that do not qualify as institutional investors, priority will be given to all subscription applications with respect to their part which pertains to up to one thousand (1,000) shares per application. This limit may be proportionately readjusted downwards on the basis of the demand observed during the Public Offering.

In case where, as a result of the allotment procedure described above, the minimum allotment of shares per investor is lower than the trading unit, a relevant allotment by lot will be conducted on the responsibility of the Lead Arrangers. In the event that, following the initial allotment, shares remain to be allotted, these remaining shares will be allotted in proportion to the part of each subscription application that was not accepted.

5.5 Retention Incentive

By virtue of the Decision issued by the Inter-Ministerial Privatisation Committee under protocol no. 29/07.07.2003, it is provided for that:

“... pursuant to a decision to be issued by the Minister of Finance, any private individuals (excluding institutional investors) who will invest in shares of the Company during the Public Offering, will be granted a securities retention incentive, consisting in one (1) bonus share for every ten (10) shares they retain for a consecutive period of six (6) months from the date of registration of the transfer of their shares with the Central Securities Depository, and up to a maximum total number of two hundred (200) bonus shares per investor.”

5.6 Allocation of the Net Proceeds earned through the Sale of Existing Shares

The Company shall collect no income from the sale of its existing shares. The proceeds that will be earned through the sale of its existing shares will be collected by the Selling Shareholder once the relevant expenses have been deducted.

Lead Arrangers and Other Underwriters – Advisors – Offering Expenses

The Lead Arrangers of this offering are the banks **EFG Eurobank Ergasias SA** and **Agricultural Bank of Greece SA**.

The Other Underwriters entrusted according to Presidential Decree 350/1985 with the sale of the existing shares at the determined sale price and the payment-in of the relevant funds, are:

EFG TELESIS FINANCE, ALPHA FINANCE SECURITIES, NATIONAL BANK OF GREECE, INVESTMENT BANK, PIRAEUS BANK, GENERAL BANK OF GREECE, BANK OF ATTICA, MARFIN BANK, PROTON INVESTMENT BANK, BANK OF CYPRUS LTD., OMEGA BANK, HELLENIC BANK LTD, EFG EUROBANK SECURITIES, NATIONAL SECURITIES, SIGMA SECURITIES, P&K CAPITAL ISC, N.D. DEVLETOGLOU SECURITIES, EUROCORP ISC, ARTION SECURITIES, EGNATIA SECURITIES, PEGASSUS SECURITIES, ASPIS SECURITIES, LAIKI ATTALOS SECURITIES.

The Issuance Advisor of this offering is **Bank of America NA**.

According to the Decision issued under protocol no. 21/17.01.2002 by the Inter-Ministerial Privatisation Committee: “All expenditures that pertain to fees, commissions and dues of the arrangers, advisors and other third parties, arising as a result of this offering, shall be borne by the Greek State in its capacity as the Selling Shareholder, with the exception of the fees charged by the independent financial auditors and persons performing the legal due diligence, which shall be borne by the Company”.

5.7 Information on the Underwriting Agreement

In the event that shares of the Public Offering remain unallotted, the Lead Arrangers and the Other Underwriters are obligated to purchase such shares.

The Lead Arrangers and Other Underwriters will intermediate for the sale of the shares offered to the broad investing public and to institutional investors by the Public Offering procedure. For this purpose, they will place the network of their branches at the disposal of investors, such as to enable submission of applications for participation, and they undertake to purchase the remaining number of shares offered by the Public Offering that will potentially remain unsold after the procedure, if any.

No obligation exists for the stabilisation of the price of the Company’s shares after their admission to the ASE.

The Lead Arrangers and Other Underwriters disclaim any liability with respect to the fulfilment or otherwise of the terms stipulated according to the legislation currently in force with regard to the minimum distribution of the shares, or with respect to the consequences potentially arising as a result of the non-fulfilment of these terms.

It is noted that according to Law 2651/1998, as amended and currently in force, the fulfilment of the criterion for the sufficiency of the distribution of a company’s shares in the Main Market of the ASE, calls for the allotment of a minimum percentage of 25% of the shares of the company requesting its admission to the ASE to at least 2,000 investors of the category of private individuals and institutional investors. This number of investors does not include shareholders that are in possession of more than 2% of the company’s share capital as this is established after the company’s admission to the ASE, as well as shareholders that fulfil the criteria set by Resolution no. 25/1999 of the ASE Board of Directors.⁴

In the event that the total of shares offered by the Public Offering is not taken up by the investing public, the Lead Arrangers will submit to the Board of Directors of the ASE a petition for the approval of the admission of the Company’s shares, according to the stipulations of indent 4 of Paragraph II of Article 3 of Presidential Decree 350/1985, with regard to the sufficiency of the shareholding distribution. The final approval is subject to the discretion of the ASE Board of Directors.

It is noted however that the actions to which the Lead Arrangers and Other Underwriters will potentially proceed in case where the criterion of sufficiency of the shareholding distribution is not fulfilled, will be entered upon after the final records of the Public Offering procedure (i.e., the investors’ subscriptions, the number of the shares potentially remaining unsold, etc.) have been taken into consideration. In any case, the Lead Arrangers will promptly notify the Board of Directors of the ASE as far as the course of action at issue is concerned.

⁴ *Members of the Board of Directors and senior managers of the company issuing the shares, spouses and first degree relatives thereof, as well as undertakings associated with the company issuing the shares within the meaning of Article 42 (e) of Codified Law 2190/1920.*

For that purpose, the funds or other assets of all non institutional investors will remain blocked in their accounts, until the relevant approval is granted.

Consequently, in the event that the admission of the Company's shares to the ASE is not approved, for any reason, including, but not being limited to, the non-fulfilment of the shareholding distribution criterion, the Lead Arrangers and Other Underwriters are obligated to release the funds of the non institutional investors, in view of the fact that the non completion of the Public Offering procedure shall render the admission of the Company's shares to the ASE infeasible.

It goes without saying that non admission of the Company's shares shall result in the exoneration of the Lead Arrangers and Other Underwriters from their obligation to purchase any shares potentially remaining unsold.

In structuring a syndicate of Underwriters, the Lead Arrangers of the present offering are not bound to limit the provision of a guaranteed subscription allotment per Underwriter to 2% of the existing shares of the Company to be placed. As a result, in the event of non subscription of the Offering, Underwriters may exist, which will take up a number of shares representing a percentage in excess of 2% of the Company's share capital.

In such case, it is possible that the listing requirement of sufficient shareholding distribution may not be met and admission of the shares of the Company to the Athens Exchange may not materialize.

In addition, it is noted that, at the stage of allotment of shares to investors, it is possible that subscription data may indicate that the listing requirement of sufficient shareholding distribution may not be met, on the basis of the criterion of distribution of 25% of the shares to 2,000 persons each holding less than 2% of the aggregate number of Company shares outstanding following the Offering. It may be the case that less than 2,000 investors participate in the Offering. The Underwriters will take into account the requirement for meeting the criterion of sufficient shareholding distribution at the time of allotment of shares, in accordance with the following paragraphs.

Specifically, within the framework of their obligations arising under Decision 9/201/10.10.2000 (Government Gazette 1419/22.11.2000) of the Hellenic Capital Markets Commission, the Underwriters expressly reserve the right to reduce the definitive percentage of allotment of shares to investors (institutional and non institutional) that have subscribed for percentages in excess of 2% of the aggregate number of shares to be outstanding following the Company's admission to the A.S.E. Any such reduction shall be effected by means which will be appropriate to ensure sufficient shareholding distribution and on the basis of criteria assuring the equal treatment of investors within each category; such means and criteria shall be notified to the A.S.E. and shall be announced to the public in summary as soon as possible.

It is noted that in such case the percentage of definitive allotment of shares to investors that have subscribed for a percentage of shares in excess of 2% of the aggregate number of shares outstanding following the Company's admission to the A.S.E. may be reduced to 2% of the aggregate number of shares outstanding following the Company's admission to the A.S.E., irrespective of the number of shares initially subscribed for.

If, on the basis of the final allotment data (and after taking into account any participation of the Underwriters in the offering) the criterion of sufficient shareholding distribution is ultimately not met, the Underwriters shall cause the funds of investors to continue to be blocked in the relevant subscription accounts, until the issuance of a final decision on the admission of shares of the Company by the Board of Directors of the A.S.E. In the event such decision rejects the admission, investor funds shall be released and shall be made available to investors (therefore, no shares will be taken up by any investors) and the subscription guarantee provided by any Underwriter in connection with shares not taken up by investors shall be automatically waived and produce no legal effect whatsoever.

The Underwriters cannot be held responsible in the event that, for any reason whatsoever, the admission of the Company's shares to the Main Market of the Athens Exchange proves to be infeasible, whether for reasons attributable to the Company or not.

It is clarified that the final underwriting agreement, which shall govern in a definitive manner all issues pertaining to the underwriting process, shall be executed a short period prior to the commencement of the Public Offering.

The Underwriters reserve the right to terminate the underwriting agreement and to discontinue the Public Offering, in the event:

- Trading on the A.S.E. or international capital markets is suspended in general; or
- Events of an economic or any other nature transpire in relation to the Company or in general, in Greece or abroad, including strikes or work stoppages of banks, which, according to the fair judgment of the Underwriters, are capable of affecting, materially or adversely, the success of the Public Offering procedure; or
- War or a state of emergency is declared within the boundaries of the Greek State, excluding however such circumstances that existed at the time when the underwriting agreement was executed, or those not known by the Underwriters due to gross negligence on their part; or
- Any of the representations, undertakings or obligations, made, given or assumed by the Company and/or the Selling Shareholder and included in this Offering Memorandum and the underwriting agreement proves to be inaccurate or is not fully satisfied.

6. Rights of Shareholders

6.1 General notes

The share capital of the Company, which was definitively determined following an appraisal of its assets provided for by Article 5 of its Corporate Charter, as incorporated in Article 3 of Law 2688/1999 and as amended pursuant to the provisions of Article 15 of Law 2881/2001 and of Article 35 of Law 2932/2001, and following the resolution adopted by the Extraordinary General Meeting of Shareholders on 7 August 2001, amounts to € 50,000,000 and is divided into twenty five million (25,000,000) ordinary registered shares with a nominal value of two euros (€ 2) each.

All of the Company's shares are ordinary registered shares. There are no different categories of shares, or preference shares, or any ordinary or extraordinary founders' certificates.

Each share of the Company incorporates all the rights and obligations provided for by law and the Corporate Charter of the Company. The Corporate Charter of the Company does not provide for any special restrictions applicable to the rights of the shareholders in relation to the provisions of the legislation currently in force. By way of exception, Paragraph 2 of Article 6 and Article 7 of the Corporate Charter of the Company stipulate that the minimum percentage of participation of the Greek State in the share capital of the Company cannot be less than 51%.

The Corporate Charter of the Company includes a number of rights reserved to the benefit of the Greek State. In particular, on the basis of Article 9 of the Corporate Charter of the Company, as incorporated in Article 3 of Law 2688/1999 and as amended pursuant to Paragraph 6 of Article 31 of Law 2932/2001, the Greek State appoints five representatives in the eleven-member Board of Directors of the Company, including the Chairman and the Managing Director.

Possession of the share certificate entails ipso jure on the part of its holder the acceptance of the Corporate Charter of the Company and of the lawful resolutions adopted by the Board of Directors and the General Meeting of the Shareholders of the Company, regardless of whether the particular shareholder attended such meetings or not.

The shares of the Company are freely negotiable. It is noted that in Paragraph 3 of Article 11 of Law 2688/1999 it is stipulated that, pursuant to a joint decision to be issued by the Ministers of National Economy, Finance, and Merchant Marine, limits may be set on the transfer of PPA SA shares per investor, with regard to the percentage of the Company's capital over and above the minimum percentage of 51% owned by the Greek State. On the basis of the above provision, the establishment, through the joint ministerial decision provided for, of limits or restrictions applicable to the transfer of PPA SA shares in the future, even after the Company's admission to the ASE, a fact that will impair their free negotiability, can not be ruled out.

A book-entry security of ten shares is set as the trading unit. Each share entails voting rights of one vote.

The liability of the Shareholders vis-à-vis any creditors of the Company is limited to the amount equivalent to the nominal value of the shares they hold. The shareholders participate in the administration and the earnings of the Company according to the provisions stipulated by law and by the Corporate Charter. The rights and obligations arising from each share are indivisible and transferable to each special or global successor of the shareholder.

The shareholders exercise their rights in relation to the administration of the Company, exclusively through their participation in the General Meetings of the Shareholders of the Company.

In all cases of share capital increases which are not effected by contributions in kind, as well as in all cases of issuance of bonds convertible into shares of the Company, the shareholders are entitled to a pre-emption right with respect to the subscription of such securities, in proportion to their existing shareholding participation in the share capital, according to the stipulations of Paragraph 5 of Article 13 of Codified Law 2190/1920, as currently in force.

All lenders of the shareholder and any successors thereof are not entitled, under any circumstances, to initiate an attachment of books of account or of any asset of the Company, nor to request its partition or liquidation, nor to interfere in any way with its administration or management.

In relation to their dealings with the Company, all shareholders, irrespective of their actual place of residence, are deemed by law to reside at the area where the Company's registered office is situated and are subject to the Greek legislation. Any dispute between the Company on the one hand and the Shareholders or any other third party on the other, is subject to the exclusive jurisdiction of ordinary Courts, while the Company can only be sued before the Courts of the area where the Company's registered office is situated.

Each share entails the voting right of one vote. In order to exercise voting rights before the General Meeting of the Shareholders, joint owners of a share must designate in writing to the Company a common representative for that share, who will represent them in the General Meeting of the Shareholders; until such person is designated, exercise of voting rights is suspended.

All shareholders are entitled to participate in the General Meeting of the Company, either in person or by proxy. In order to be allowed to participate in the General Meeting of the Company, shareholders must have deposited their shares with the Treasury of the Company, with the Deposits and Loans Fund, or with any credit institution lawfully operating in Greece, or, with respect to book-entry shares, they must have procured a certificate issued by the Central Securities Depository, at least five (5) days prior to the date designated for the conduct of the General Meeting. Within the same time-limit, all receipts regarding the deposit of shares and all documents regarding participation by proxy must be submitted to the Company, in exchange of a receipt which grants to the shareholder the right of admission to the location where the General Meeting convenes. Shareholders who are not in compliance with the above, may only participate in the General Meeting following an express permission granted by the latter.

Each shareholder is entitled to request, at least ten (10) days prior to the date of an Ordinary General Meeting of the Shareholders, the annual financial statements of the Company and the relevant reports of the Board of Directors and the Auditors of the Company.

6.2 Special Rights of Shareholders or Third Parties

6.1.1 Greek State

The rights of the Greek State, which is the sole initial shareholder of PPA SA, have been provided for by law, both as regards the preservation of its majority shareholding and the appointment of a number of members of the Company's Board of Directors.

Majority Participation

Paragraph 2 of Article 6 of the Corporate Charter of PPA SA, as incorporated in Article 3 of Law 2688/1999, stipulates that the admission of shares issued by PPA SA to the Athens Exchange, or to any other internationally recognised Stock Exchange, is possible on the condition that the minimum percentage of participation of the Greek State in the share capital of the Company will remain at least at 51%.

Appointment of Members of the Board of Directors

Paragraph 1 (a) of Article 9 of the Corporate Charter of PPA SA, as incorporated in Article 3 of Law 2688/1999, stipulated that the Greek State was entitled to appoint three (3) out of the nine (9) members of the Board of Directors, among which the Chairman and the Managing Director. This number was subsequently increased to five (5) and the total number of members of the Board of Directors to eleven (11), by virtue of Paragraph 6 of Article 31 of Law 2932/2001.

6.1.2 Third Parties

According to Paragraph 1 of Article 9 of the Corporate Charter of PPA SA, the entities or groups mentioned below, even where they are not shareholders of the Company, are entitled to appoint a number of members of the Board of Directors of PPA SA, as follows:

- two (2) members are to be appointed by the employees of the Company as representatives thereof. These two representatives are appointed by the two most representative second-tier labour unions, one by that of the employees and the other by that of the port workers; designated Board members must be employees of the Company themselves.
- one (1) member is nominated by the Greek Economic and Social Commission (OKE) and must originate from an agency, body or authority relevant to the business activities of the Company.
- one (1) member represents, and is appointed by, the Municipality of Piraeus.

6.1.3 Effect of the relevant Provisions

The provision of Article 9 of the Corporate Charter of PPA SA, to the extent to which it pertains to the representatives of the employees (2) and the representative (1) of the OKE, reflects the corresponding provision of Paragraph 2 of Article 6 of Law 2414/1996. Therefore, to the extent to which it pertains to these representatives, and if it is judged as a mere repetition of Law 2414/1996, this provision will cease to be in effect in case where shares of the Company corresponding to a percentage between 25% and 49% of its share capital are placed with the investing public, on the basis of Article 22 of Law 2733/1999 which stipulates that:

“Public undertakings having their shares offered to investors at a percentage of their share capital ranging from twenty-five per cent (25%) up to forty-nine per cent (49%) are not subject to the provisions of Law 2414/1996, with the exception of Articles 9 (Rulebook of Obligations to Consumers) and 10 (Public Enterprises Personnel)”.

The provisions regarding the appointment of members of the Board of Directors by the Greek State (Paragraph 6 of Article 31 of Law 2932/2001) and by the Municipality of Piraeus (indent d of Paragraph 1 of Article 9 of the Corporate Charter of PPA SA) are clearly special in nature and, therefore shall prevail and remain in effect in every instance until their potential future amendment or abolition.

6.3 Minority Rights

Codified Law 2190/1920, as currently in force, affords certain rights to one or more shareholders acting in concert, on the condition that they represent a defined minimum percentage of minority participation in the share capital of the Company. Depending on the percentage they represent, such rights are classified as “small” minority rights (minimum percentage required: 5% of the share capital) or as “large” minority rights (minimum percentage required: 33.33% of the share capital), and consist in what is described in more detail herein below.

Shareholders that represent 5% of the paid-in share capital are entitled:

- (a)** to request from the Court of First Instance of the area of the Company's registered office, that an audit be effected with regard to the Company, in accordance with Articles 40 and 40 (e) of Codified Law 2190/1920, as currently in force, in so far as shareholders allege conduct in violation of the provisions stipulated by law or by the Corporate Charter of the Company, or of the resolutions adopted by the General Meeting of its Shareholders, and the alleged conduct refers to a period of time not preceding by more than two years the date of approval of the annual financial statements for the company year in the course of which such conduct was demonstrated.
- (b)** to request the convocation of an Extraordinary General Meeting of the Shareholders and determine the issues on which the General Meeting will be called upon to resolve. In such case, the Board of Directors is obliged to convoke the requested Meeting within a period of time of no more than thirty (30) days from the date that the relevant request was submitted to the Chairman of the Board of Directors.
- (c)** to request, but only once, the postponement of the adoption of any resolution in relation to some or all of the items on the agenda of an ordinary or extraordinary General Meeting and the adjournment of the Meeting's session for the adoption of such resolution until the date stated in the request of these shareholders, provided that such day may not be later than thirty (30) days from the date of such postponement.
- (d)** to request from the Board of Directors, by a petition which is submitted to the Company at least five (5) full days prior to the day of the Ordinary General Meeting:
 - (i)** to announce to the General Meeting of the Shareholders all the amounts that were paid during the previous two-year period by the Company for whatever reason to the members of its Board of Directors, or its Managers, or any other of its employees, as well as any other consideration given to such persons, or any contract signed by the Company with these persons for whatever reason.
 - (ii)** to provide the specific information requested in relation to the Company's affairs, to the extent that such information is useful for an actual evaluation of the items included in the agenda.

The Board of Directors may deny the provision of the specific information requested, for manifest cause (or appropriate and substantial reasons). In such case the relevant justification must be included in the minutes kept.

- (e)** to request the adoption of a resolution on any specific item included in the agenda of the General Meeting by a roll call.

Shareholders that represent 33.33% of the paid-in share capital are entitled:

- (a)** to request from the Board of Directors, provided that such shareholders are not represented in the Board of Directors, by a petition which is submitted to the Company at least five (5) full days prior to the day of the Ordinary General Meeting, to supply to them during the General Meeting, or if it so prefers to their designated representative prior to the day of the General Meeting, information in relation to the Company's affairs and its financial circumstances.
- (b)** to request from the Court of First Instance of the area of the Company's registered office, provided that such shareholders are not represented in the Board of Directors, that an audit be effected with regard to the Company according to Paragraph 1 of Article 40 of Codified Law 2190/1920, as currently in force, in so far as from the general course of the Company's affairs it becomes plausible that the management of the Company's affairs is not performed according to the rules of sound and prudent management.

The exercise of minority rights is governed by the provisions of Codified Law 2190/1920 and is subject to placement in custody in advance of the shares of the minority shareholders, according to the stipulations of Article 28 of Codified Law 2190/1920, as currently in force.

6.4 Dividend Collection

The dividend of each share, in so far as its distribution has been decided, is paid to the respective shareholder within two months from the day of the Ordinary General Meeting that approved the annual financial statements and the distribution of profits. The way in which and the place where the payment will be carried out will be communicated to the shareholders by announcements at the daily Press, or in any other commercially acceptable manner.

Shareholders that neglect to request payment of dividends they are entitled to collect, have no right to collect interest thereupon. The right to collect dividends is subject to a limitation within a period of five years from the end of the year within which such dividends became collectible.

As regards the procedure for the deposit of shares in order for shareholders to participate in General Meetings, and the procedure for the payment of dividends, the stipulations provided for by the Regulations of the Book-Entry Securities Clearing System of the Central Securities Depository, as applicable in each case, shall apply.

6.5 Dividend Taxation

According to Greek tax legislation in force (Law 2238/1994, as currently in force), all domestic corporations the shares of which have been admitted to the ASE (excluding banks) are subject to an income tax rate of 35% on their taxable earnings, prior to any distribution thereof. As a result, the dividends that are distributed have already been subject to taxation at company level, and there is no other liability of the shareholder for further Greek taxation on the amount of dividends collected.

The time of collection of income from dividends is deemed to be the day of the Ordinary General Meeting of the Shareholders that approved the financial statements of the Company and the distribution of profits.

The Lead Arrangers and Other Underwriters disclaim any liability with respect to the fulfilment or otherwise of the terms stipulated by legislation currently in force with regard to the minimum distribution of the shares, or with respect to the consequences potentially arising as a result of a failure to satisfy such terms.

It is noted that according to Law 2651/1998, as amended and currently in force, the fulfilment of the criterion for the sufficiency of the distribution of a company's shares in the Main Market of the ASE, calls for the allotment of a minimum percentage of 25% of the shares of the company requesting its admission to the ASE to at least 2,000 investors of the category of private individuals and institutional investors. This number of investors does not include shareholders that are in possession of more than 2% of the company's share capital as this is established after the company's admission to the ASE, as well as shareholders that fulfil the criteria set by Resolution no. 25/1999 of the ASE Board of Directors.

In case where the total of shares offered by the Public Offering is not taken up by the investing public, the Company is entitled according to the Underwriting Agreement to request that the Lead Arrangers and Other Underwriters purchase the shares remaining unsold. However, the purchase of the remaining shares by the Lead Arrangers and Other Underwriters does not necessarily entail the satisfaction of the criterion regarding the sufficiency of shareholding distribution.

In arranging the syndicate of the Lead Arrangers and Other Underwriters, the Lead Arrangers of this offering do not assume any responsibility for the limitation of the undertaking of each underwriter to purchase shares of the Company remaining unsold following the sale of existing shares to the equivalent of a percentage equal to or less than 2% per Arranger or Underwriter. Consequently, in the event that the offering is not subscribed, there may be one or more Lead Arrangers or Underwriters that will purchase a number of shares that corresponds to a percentage in excess of 2% of the share capital of the Company.

In such case, the criterion regarding the sufficiency of the shareholding distribution may not be fulfilled, and consequently the shares of the issuing Company may not be admitted to the ASE.

In addition it is noted that, during the allotment of the shares to the investors, it may emerge from the records of the subscriptions that the criterion of sufficiency of the shareholding distribution is not achieved to the extent of the prerequisite of the allotment of a minimum percentage of 25% of the shares to at least 2,000 persons each of which will hold less than 2% of the total number of shares after the admission of the Company to the ASE. Moreover, there is also the possibility that less than 2,000 investors will participate in the offering. During the allotment of the shares, the Lead Arrangers and Other Underwriters will take into consideration the requirements for the fulfilment of the criterion regarding the sufficiency of the shareholding distribution, according to what is described in the following paragraphs.

In particular, the Lead Arrangers and Other Underwriters, within the limits of their responsibilities arising as a result of Decision no. 9/201/10.10.2000 (Gov. Gaz. 1419/22.11.00) issued by the Hellenic Capital Markets Committee, expressly reserve their right to limit unilaterally the final allotment percentage of shares allotted to those (institutional and non institutional) investors who have signed up for a percentage in excess of 2% of the total number of shares after the admission of the Company to the ASE. This limitation will be effected by means that are likely to secure the achievement of a sufficient shareholding distribution and on the basis of allotment criteria that warrant the equal treatment of all investors within the same category; all such means and criteria will be promptly communicated to the ASE and will be announced in summary to the public.

It is noted that in such case, the final allotment percentage of shares allotted to investors who have signed up for a percentage higher than 2% of the total number of shares after the admission of the Company to the ASE may be limited to 2% of the total number of shares after the admission of the Company to the ASE, irrespective of the amount of their original subscription.

In the event that, on the basis of the final records of the allotment (and after any potential participation of the Lead Arrangers and Other Underwriters in the subscription is taken into consideration), the criterion regarding the sufficiency of the shareholding distribution is ultimately not fulfilled, the Lead Arrangers and Other Underwriters will retain the funds of the investors blocked in the respective accounts until a final Resolution regarding the admission of the shares is adopted by the ASE Board of Directors. In case where the relevant Resolution rejects the admission, the funds of the investors will be released and returned to them (thus they will not acquire shares of the Company), and the undertaking of the Lead Arrangers and Other Underwriters to purchase any shares potentially remaining unsold will be invalidated, without such fact giving rise to any consequences.

The Lead Arrangers and Other Underwriters cannot be held responsible in the event that, on account of any reason, the admission of the Company's shares to the Main Market of the Athens Exchange proves to be infeasible, irrespective of whether this reason pertains to the Company or not.

Finally, it is made clear that the final Underwriting Agreement, which includes the definitive provisions to govern all issues related to the placement procedure, shall be signed immediately prior to the commencement of the Public Offering period.

7. Information on the Company

7.1 General Information

The Legal Entity of Public Law under the name “PIRAEUS PORT AUTHORITY (PPA)” was established by virtue of Law 4748/1930, which was amended by Compulsory Law 1559/1950 and ratified by Law 1639/1951, as subsequently amended and supplemented.

In the year 1999 and by virtue of Law 2688/1999 of March 1, 1999 (Government Gazette Issue A’ 40), the PPA was transformed into a corporation (“societe anonyme” or “anonymos etaireia”), under the trade name “PIRAEUS PORT AUTHORITY S.A.” and the distinctive title PPA S.A. (hereinafter “PPA S.A.” or the “Company”). PPA S.A. is a public service corporation, intended to serve the public interests, operates on the basis of principles of private economy, enjoys administrative and financial independence, is supervised by the Minister of Merchant Marine and is governed by the provisions of Law 2688/1999 (Government Gazette Issue A’ 40) and Codified Law 2190/1920 and, in addition, by the provisions of Law 2414/1996 (Government Gazette Issue 135 A’), and Compulsory Law 1559/1950, as each time in force.

The Company has been registered with the Corporations’ Registry (C.R.) under number 42645/02/B/99/49 and has been established for a term of 100 years, commencing on the date of entry into force of Law 2688/1999, i.e. for a period expiring on May 1, 2099. The Company has its registered offices in the Municipality of Piraeus and its management is headquartered at the PPA management building, within the Piraeus Central Port.

In accordance with Article 3 of its Articles of Incorporation, the objects of the Company focus on the administration and exploitation of the Piraeus Port and, potentially, other ports as well. The limits of the Piraeus Port area, including the Piraeus Free Zone, are designated by provisions of law each time in force. More specifically, the Company’s objects include:

1. The provision of harboring services to ships and services related to the trafficking of cargo and passengers to and from the Port.
2. The installation, organization and exploitation of port infrastructure of any nature whatsoever.
3. The conduct of any activity related to the mission of a port, as well as any other commercial, industrial (including oil and gas) and business activity, including, but not being limited to, tourism, culture, fisheries and design and management of port facilities.
4. Any other activity that had been lawfully entrusted to the Piraeus Port Authority, during its period of operation as a legal entity of public law.

The above objects are expressly prescribed in the Company’s Articles of Incorporation, as contained in Law 2688/1999 (Government Gazette Issue A’ 40); the respective provisions on corporate objects have not been amended as of the enactment of the said law.

For the purpose of furthering its above objects, the Company may:

- a) following a resolution of its Board of Directors and the consent of the Meeting of Shareholders, establish subsidiaries and participate in or cooperate with other companies or undertakings that pursue the exploitation of areas or the conduct of activities within the Piraeus Port and/or other ports, both within and outside of Greece and have similar objects or objects which are ancillary to the Company’s activities;
- b) provide consulting services to individuals and legal entities, sovereign states or international organizations, especially in relation to transport matters;

- c) arrange for the professional and vocational training of its personnel;
- d) create appropriate research facilities and conduct surveys and studies of any nature on issues relating to its corporate objects;
- e) participate in activities intended to promote matters related to the Company's objects, at national, transnational or European Union level;
- f) establish or participate in venture capital management companies;
- g) promote the development of vessel repair activities.

For purposes of the Greek codified nomenclature of business operations (STACOD 1991), the Company engages in the sector of activities relevant or ancillary to transport (Code 63).

Law 2688/1999 was subsequently amended and supplemented by virtue of the provisions of Article 15 of Law 2881/2001 and Article 35 of Law 2932/2001. Article 15 of Law 2881/2001 principally addressed issues relating to the valuation of assets of PPA S.A., initially provided by Law 2688/1999. In accordance with Article 5 of the Company's Articles of Incorporation, incorporated in Article 3 of Law 2688/1999, valuation of the Company's assets would be conducted by a committee, in accordance with Article 9 of Codified Law 2190/1920, within a term of one year as of the publication of Law 2688/1999, which could be further extended for a maximum additional period of six months, upon a Decision of the Minister of Merchant Marine. The above term elapsed, without a valuation being conducted. The issue was resolved by virtue of Article 15 of Law 2881/2001, which stipulated issues relevant to the valuation, including the time of valuation, thereby remedying the pending matter that had arisen due to the lapse of the initial period set for that purpose. The same provision also addressed a number of issues relating to the determination of the share capital and the net worth that would be calculated by means of the valuation, as well as tax issues relating to the net worth. Specifically, the provision enabled the Company to report its net worth partly as share capital and partly as a special tax-free reserve, in such manner as the Meeting of Shareholders would determine.

Under Article 5 of the Company's Articles of Incorporation, incorporated in Article 3 of Law 2688/1999, as amended by Law 2881/2001, valuation of the Company's assets would include: (a) all real property and movable goods owned by the PPA as a corporation; (b) the value arising out of the right to use and exploit the land, buildings and infrastructure owned by the State, whereupon PPA S.A. had acquired the exclusive right of use and exploitation; and (c) the balance of all accounts receivable and payable of PPA S.A. Article 35 of Law 2932/2001 (Government Gazette Issue A' 145) provided the conclusion, between the Greek State on the one hand, represented by the Minister of Finance and the Minister of Merchant Marine and PPA S.A. on the other hand, of a Concession Agreement for the concession of the exclusive right to use and exploit the land, buildings and infrastructure located within the Land Port Zone of the Piraeus Port.

As to its corporate functions, PPA S.A. shall continue to be governed by Law 2688/1999, as amended and in force; the said law embodies the special institutional framework applicable to PPA S.A. and is supplemented by the provisions of Codified Law 2190/1920 in relation to matters not regulated by special provisions.

7.2 History of the Port

The administration of the Port of Piraeus assumed a relatively structured form as of 1836. At that point in time, port users voiced a particular interest for the allocation of resources necessary for the function of the port and the conduct of port activities.

In the years leading to 1848, the responsibility for the management of port proceeds was informally assumed by the commission of the Docking Fund. It was then that the Royal Decree of September 5, 1848, constituted the Commission of the Piraeus Pier, a three-member body, including a delegate of the Municipality of Piraeus, a delegate of the Ministry of Domestic Affairs and an engineer, in charge of the docking operations. In 1861, a law transformed the commission into the Piraeus Port Supervisory Commission which was further reconstituted as Piraeus Port Trusteeship in 1911.

Until 1924, the Piraeus Port continued operations, on limited depth docks and small piers. In 1930, Law 4748/1930 established the Piraeus Port Authority and provided the constitution of the services of the Port Administrative Authority.

The following are certain of the most important years in the history of the Port and the PPA:

- 1931:** Publication of Presidential Decree on the organization of administrative services of the PPA.
- 1932:** Commencement of operation of the Piraeus Free Zone, under a status of administrative independence. During the same year, the first two cranes were installed and put in operation. In the beginning of 1933, the Free Zone is placed under the management of PPA.
- 1940-1944:** Bombardment of the port by aircraft of the Allies result in massive material damage.
- 1945-1950:** Restitution of damages incurred by war.
- 1955:** Gradual implementation of the program of works for the development of the port.
- 1968:** PPA placed under the supervision of the Ministry of Merchant Marine (Legislative Decree of 1/21.11.1968).
- 1970:** Inauguration of the Saint Nicholas passenger terminal (PPA Exhibition Center).
- 1973:** Commencement of operation of the second container terminal at the Hercules Port.
- 1989:** Inauguration of the “Eleftherios Venizelos” Pier (Container Terminal).
- 1992:** Inauguration of the International Passenger Terminal (Xaveri Coast).
- 1996:** Relocation of all commercial activities out of the Central Port, which is devoted exclusively to the servicing of passenger traffic.
- 1997:** Completion of Pier II of the “Eleftherios Venizelos” Container Terminal. Execution of contract with “Mediterranean Shipping Company (MSC)” for the use of Piraeus as container transshipment hub.
- 1998:** Award of contract for the installation of a modern Port Information Management System (PMIS). The port of Piraeus becomes the leading center of handling of containers in the Eastern Mediterranean and ranks 41st in the world, with an aggregate handling of 933.000 TEUs⁵.
- 1999:** Enactment of Law 2688/99 and transformation of PPA into a corporation.
- 2000:** Conclusion of the 1st Collective labour Agreement with the C.H.P.P.E⁶.
- 2001:** Renewal of the contract with MSC for an additional ten-year period and commencement of operation of the P-MIS information technology system at the Container Terminal. Estimate of Container Terminal traffic at 1,200,000 TEU’s.
- 2002:** Execution on 13.02.2002 of a Concession Agreement with the Greek State for the concession of the right of use and exploitation of land areas, buildings and facilities within the Piraeus Port Land Zone, with a term expiring in 2042;

Renewal of the ten-year term agreement with MSC, providing for increased minimum “in transit” shifts; and

Commencement of operation of the passenger pier on Vassileiadis Coast.

Within the framework of the Company’s privatization, the Greek State engaged a group of advisors, lead and coordinated by BANK OF AMERICA N.A. as Financial Advisor and including the Law Firm of

⁵ TEUs: Twenty feet Equivalent Unit (unit of volume equivalent to a container of dimensions 20 times 8 times 8 feet)

⁶ Confederation of Hellenic Ports’ Permanent Employees.

HADJIPRODROMOU – TRIANTAPHILLOY & PARTNERS and the Law Offices of S. SAGIAS & Partners as legal advisors, KANTOR BUSINESS CONSULTANTS S.A. as planning and restructuring advisor, KPMG KYRIAKOU CHARTERED AUDITORS S.A. as advisors on accounting, tax and auditing matters; prior to such engagement, PPA S.A. had independently engaged AMERICAN APPRAISAL HELLAS LLC as valuation expert and advisor.

On 17.01.2002 the Greek State issued Resolution no. 21/17.01.2002 and determined as the final method for the privatization of PPA S.A. the offering to investors of existing shares of PPA S.A. owned by the Greek State, partly through a private placement and partly through a public offering in Greece, combined with the admission for listing and trading of the Company's shares in the Main Market of the Athens Exchange.

7.3 Description of the Port

The port of Piraeus is the largest port in Greece in terms of the area it occupies, an aggregate of 5 million square meters approximately, five percent (5%) of which is covered by buildings. It is the main sea gateway of Greece and is located on the crossroads of three continents (Europe, Africa and Asia). The geographic location of the port makes it a vital communications hub between the Greek islands and the mainland, as well as an international centre of marine tourism and commercial carriage of goods. The position of the Port favours its operation both as a port for the wider area of Greece, as well as for the Balkans and Black Sea countries. The Port of Piraeus is situated at the central point of intersection of sea routes linking the Mediterranean with Northern Europe and its position south of the 38th parallel enables major line ships to approach the Port without significant deviation from the course of minimum cost.

Piraeus is one of the main ports of the Mediterranean and is included on the list of the 50 largest ports in the world. On the basis of year 2002 data, it occupied the 47th position worldwide in connection with container trafficking⁷, the 6th position in container trafficking in the Mediterranean and the 1st position in the Eastern Mediterranean. In addition, it is also one of the largest ports in the world in terms of the number of passengers serviced⁸. In Greece, the Port of Piraeus serves the largest part of maritime passenger and freight traffic.

The activity of the Port is more complex, compared to that of other Mediterranean ports, since it combines servicing of all types of cargo (conventional and per unit), from all origins and to all destinations (import – export and transshipment), with the service of passenger traffic in relation to both coastal lines and cruise ships. The complexity of the character of the port is underpinned by the conduct of vessel repair activities and the operation of ferries within the Company's territory. The Port of Piraeus facilities may be categorized as follows, on the basis of the nature of activity conducted: a) Passenger Traffic Services Port (Central Port and Salamina-Perama Coastal Ferry), b) Commercial Traffic Services Port and c) Vessel Repair Services Port.

7.1.1 Passenger Traffic Services Port (Central Port and Salamina – Perama Coastal Ferry Line)

For the purpose of servicing passenger traffic, the Port operates four (4) domestic passenger service terminals and one (1) international passenger service terminal. The international passenger terminal hosts banks, foreign exchange facilities and duty-free shops, while it also houses annexes of the Tourist Police, the Customs office and other related public services. An open-air parking for tourist buses and private vehicles is adjacent to the terminal. The Port serves over 18 million passengers per annum (including approximately 8 million passengers through the Salamina – Perama coastal ferry line), which ranks Piraeus first in Europe and third in the world in terms of number of passengers.⁹

⁷ Source: Containerization International Yearbook 2002

⁸ Eurostat 2000 data.

⁹ Eurostat and PPA data

7.1.2 Commercial Traffic Services Port

The Port facilities dedicated to commercial traffic include: a) the Container Terminal; b) the Car Terminal; c) the Conventional Freight Terminal and d) other facilities.

Container Terminal

The “Eleftherios Venizelos” Container Terminal operates at Neo Ikonio.

More than one million TEU’s per annum are handled through this terminal. The terminal’s position on the lee side of winds and in a location free of tide, combined with its high depths, ensures conditions for uninterrupted and quick service of the most modern types of Mother and Feeder ships.

The total area of the Container Terminal is 900,000 square meters, with 626,000 square meters of docks available for storage; the Terminal includes Piers I and II, with a total wharf length of 2,774 meters, depths ranging from 11.5 m. to 16m. and 9 ship berthing positions.

Pier I in particular is trapeze-shaped and is aligned in the North/South direction, positioned at the eastern side of the Container Terminal. The total length of its wharfs is 763 meters, of which 300 meters on the eastern side, 178 meters on the southern front and 285 meters on the western side. The net depth by the western wharf (where railtracks for the operation of the gantry cranes have been positioned) is 12 meters.

Pier II is also trapeze-shaped and is located to the west of Pier I. The length of its wharfs rises to 2,011 meters, of which 790 meters on the eastern side, 520 meters on the southern front and 701 meters on the western side. The depth by the eastern and frontal (southern) wharfs is 14 meters, while it reaches 16 meters by the western wharf.

The Container Terminal operates a warehouse of an area of 19,200m² for container loading and unloading and a 5,800m² new equipment service shop. In addition, the Terminal operates cooler facilities for reefer-containers, as well as specially designated storage areas for dangerous goods.

The Container Terminal is under surveillance by closed-circuit TV, which helps ensure better surveillance, monitoring and safety of installations and cargo.

An independent road network has been created for the traffic of vehicles in the area, which is essentially an extension of the PPA exclusive use road network.

Existing ship servicing capacity is as follows:

CAPACITY OF EXISTING PORT FACILITIES AT CONTAINER TERMINAL – IN SIMULTANEOUS SHIP DOCKING POSITIONS		
	Ship Positions	
	Lo -Lo ¹⁰	Ro– Ro ¹¹
Pier I	1	1
Pier II	8	1
Total	9	2

It is being noted that the positions for Ro-Ro ships are not specifically designated. Such ships use any of the positions available for Lo-Lo ships, when these are vacant. This is especially true because Ro-Ro ships dock using their rear sides and may not use the south banks of the two piers that would otherwise be most appropriate for their servicing, since that would block access to and from the piers.

¹⁰ Lo – Lo: Lift on – Lift off: vertical method of loading/unloading

¹¹ Ro –Ro: Roll on –Roll off: horizontal method of loading/unloading

For the purposes of operation of the Container Terminal, PPA S.A. deploys the following equipment:

CONTAINER TERMINAL EQUIPMENT FOR LOADING/UNLOADING, STACKING, TRANSPORT AND MANAGEMENT OF CONTAINERS	
DESCRIPTION OF EQUIPMENT	Number
Gantry Cranes	14
Straddle Carriers	54
Forklifts	20
Tractors	25

Car Terminal

Transport of cars and other vehicles within the Port of Piraeus is serviced through facilities operating in two distinct sites of the Port:

- Management sector C1; and
- Management sector C2.

Management sector C1 is located at Drapetsona and includes a 400-meter dock with a net depth of 12 meters. The corresponding land area occupies an area of approximately 60 thousand square meters.

Management sector C2 is located at Keratsini and occupies an area of approximately 15 thousand square meters.

The aggregate capacity of the Car Terminal, in stationed vehicle units, is calculated on the basis of the standard area per vehicle, which is 8 square meters per private use passenger vehicle and approximately 16 square meters per bus or truck. As a result, the capacity of existing facilities is calculated as follows in terms of passenger vehicle units (PVUs):

- Management sector C1: 7,500 PVUs,
- Management sector C2: 1,500 PVUs

Conventional Cargo Terminal

Handling and storage of conventional cargo (Ro Ro cargo, bulk cargo and other general cargo) is managed through the facilities of Hercules Port, at Keratsini. The equipment used for the loading and unloading of conventional cargo includes electric cranes, mobile cranes, forklifts and tractors of various types. As regards grain cargo, the port employs silo-type warehouses, with three suction pillars and a storage capacity of 40,000 tons of cereals. One gantry crane and other necessary equipment is dedicated to the loading and unloading of bulk cargo (coal, soy, sand, etc.), while the Port possesses numerous warehouses for purposes of other types of conventional cargo.

Servicing of liquid cargo, especially oil and by-products, takes place at a concession pier of the New Ikonion area while nearby private tanks are also available on demand.

The Commercial Traffic Services Port is linked to the Passenger Traffic Services Port (Central Port) through a ring road, which was built by the PPA's own funds, as well as funds from the European Union Cohesion Fund, in order to address the road traffic problem that arose to the nearby communities as a result of circulation of heavy trucks to and from the national road network.

Other Areas

An Exhibition Center operates in the area of the Port of Piraeus, while the port also leases areas for the conduct of ship repair activities by private companies, as well as areas for the operation of car terminals.

The Shipbuilding and Vessel Repair Zone [also referred to as “Ship Repair Zone” and “Vessel Repair Zone”] is to the west of Piraeus and neighbors with the Container Terminal. It is one of the biggest ship repair areas within the country¹² and a number of modern shipbuilding undertakings have preferred nearby locations for their operation. PPA S.A. has performed a series of works for the enhancement of the infrastructure of this zone. The core equipment includes two floating tanks with a lifting capacity of 15,000 and 4,000 tons, respectively and the ability to host ships of aggregate capacities of approximately 40,000 Registered Tons¹³ και 12,000 Registered Tons, respectively. Their dimensions are 200m X 30 m and 110m X 19m, respectively. The activities of the Ship Repair zone are supported by electric cranes on rail-tracks and mobile cranes. The Central Port (Vassileiadias area) deploys two fixed tanks with lengths of 150m and 100m, respectively.

The Exhibition Center occupies a total area of 30,000m² and has been specially designed for staging trade fairs. It includes two car parking areas, with capacities of 200 and 290 passenger cars, respectively and a small amphitheater. The Company leases the Exhibition Center to third parties.

As of 1993 the Port operates an underground passenger car parking, of an aggregate area of 11,196m². The respective building is situated at the Karaiskakis Square of the Tzelepi Coast, which is part of the 1st Port Basin of the PPA.

Legal Designation of Port Zone

The following is a legal description of the Port, which is deemed necessary in view of the special legal status governing the Company.

By virtue of Law 4748/1930 (Government Gazette 166/15.5.1930) «re: Organization of the Port of Piraeus» the Piraeus Port Authority was established as a Legal Entity of Public Law and was entrusted with the «administration of the Port of Piraeus », as well as the management of the Piraeus free zone; the same law provided that the establishment, nature, location and area of the free zone, as well as the extent of exemptions from taxes and duties applicable to it and the details of its operation would be provided by way of a decree to be issued at the initiative of the Minister of Finance, following a consenting opinion of the Cabinet. The same law provided for the subrogation of the Piraeus Port Authority to the rights and obligations of the Piraeus Port Fund.

On September 23, 1931 a Legislative Decree was issued which amended Law 4748/1930 in relation to the area of the Port of Piraeus (which was prescribed to extend from the Mounichia/Koumoundourou Bay until Perama) and in relation to certain provisions on its operation; in parallel, the said Decree established the Piraeus Free Zone, subject to future elaboration of detailed parameters on its operation by way of one or more decrees provided to be issued upon the initiative of the Minister of Finance.

The Legislative Decree of September 23, 1931 was ratified by way of Law 5332/1932 (Government Gazette 73A/19.3.1932).

Subsequent to the above, the main law governing the operation of the PPA became Compulsory Law (C.L.) 1559/1950 (Government Gazette 252A/29.10.1950), which restated extensively and codified previous provisions, as well as extending the limits of the Port of Piraeus to include the Ampelakia Bay on the island of Salamina. Compulsory Law 1559/1950 was subsequently ratified by Law 1630/1951

¹² PPA Estimates

¹³ Registered Ton (Unit of Volume)

(Government Gazette 8A/8.1.1951) and amended and supplemented subsequently by way of Law 2323/1953 (Government Gazette 66A/21.3.1953), Law 2366/1953 (Government Gazette 83A/10.4.1953), the Royal Decree dated 27.02.1954 on the extension of the Port of Piraeus to the coast of the Aspropyrgos Community (Government Gazette 59A/5.04.1954), Law 2796/1954 (Government Gazette 59A/5.04.1954), Legislative Decree 2942/1954 (Government Gazette 211A/7.09.1954), Article 11, par. 7 of Law 3154/1955 (Government Gazette 63A/14.03.1955), Legislative Decree 3398/1955 (Government Gazette 277A/8.10.1955), law 3701/1957 «re: expansion of the PPA area» (Government Gazette 83A/11.05.1957), as well as Law 1220/1981 (Government Gazette 296A/7.10.1981).

The provisions of Article 2 of Law 1559/1950 re the Piraeus Port Authority apply by analogy to the Company, by virtue of the second Article of Law 2688/1999 on the transformation of the Piraeus Port Authority into a corporation. On the basis of the above provision, the limits of the Port of Piraeus area are set as follows:

The Port of Piraeus extends from the Mounichia Bay to Perama, inclusive of both said terminal points and further includes the Ampelakia Bay of the island of Salamina and comprises the land and sea zones. The sea zone includes the port basins and protected bays within the above area, as well as an area of open sea within a range of 500 meters from the coast of the land zone. Paragraph 3 of the said article provides that the land zone may be specifically designated by Decisions of the Minister of Public Works, issued on the basis of provisions applicable to port zones and may extend to a maximum mainland depth of 250 meters, where no city plan is in force with regard to the mainland and a maximum depth of 160 meters, where a city plan is in force; in the latter case, the implementation of the city plan may not extend further than the Port zone borders, following the opinion of the competent Municipality.

The Piraeus Port area was expanded by way of Law 3701/8.05.1957 (Government Gazette A' 83) to the part of the Faliron Bay spanning from the notional extension of the west building limits on Syngrou Avenue, to the direction of New Faliron and until the notional extension of the east building limits of the New Faliron theater. Such expansion was intended to serve two purposes, first constructing a pier for the embarkation and disembarkation of VIPs (excluding servicing of standard passenger or tourist traffic and, secondly, recreational use of the beach by the general public.

On the basis of the authorization contained in article 2, par. 4 of Compulsory Law 1559/1950 for the expansion of the Port Zone beyond the limits initially provided by said law, the following Royal Decrees (R.D.s) were issued, which extended the Piraeus Port Zone as follows, respectively:

By virtue of R.D. dated 27.02.1954 (Government Gazette A' 59) to the coast of the Aspropyrgos Community

By virtue of R.D. 517/1960 (Government Gazette A' 117) to the Kynosoura Peninsula of the island of Salamina and, specifically, from New Magoula to the Eastern tip of its Northern side (Kavo Varvaro)

R.D. 378/1962 (Government Gazette A' 93) restated the provisions of R.D. 517/1960, but excluded the area of competence of the Salamina Port Fund from the extension

By virtue of R.D. 143/13.2.1968 (Government Gazette A' 40), beyond the ultimate pier of Perama and up to the limits of the Military Naval Station and, in addition, at the site of the Protopsaltis coast of the Municipalities of Piraeus and New Faliron, from the Mounichia (Kanaris) Bay uninterruptedly to the east notional extension of the New Faliron theater, which was the previous terminal point of PPA's area in that direction.

By virtue of R.D. 517/20.07.1970 (Government Gazette A' 164), the port area was expanded to certain additional coastal areas of the island of Salamina, as follows:

a) Beyond the northern tip of the Ampelakia bay, until the entrance of the Kamatero village, at the location of the second jetty encountered by a person moving from the Akra Pounta cape to the said village, excluding the jetty itself.

b) Beyond the eastern limits of the Kynosoura Peninsula (Kavo Varvaro) and until such point on the coastline at the southern root of the Kynosoura Peninsula as may be defined as the projection of the mainland point where the Ampelakia – Selinia mainland road makes a right-angle turn (on a saddle to the

north of the coastal point). These areas were removed from the competence of the Salamina Port Fund. By virtue of Presidential Decree 32/1975 (Government Gazette A'12), to the coasts of the Psyttaleia, Atalanti and Hoirades Scrofes islands.

The following extensions of the Port of Piraeus land zone were prescribed by Ministerial Decisions issued during the period 1957 to 1977, on the basis of the authorization contained in Article 4, par. 3 of Compulsory Law 1559/1950:

- to the Karaiskakis area,
 - to the "Lemonadika" building block,
 - to the Xaveri coast area,
 - to the areas of Ampelakia (Salamina island) and Aspropyrgos Coast (Restis area),
 - to the property owned by the Perrakis family, lying by the Northwest corner of the Giannoulatos building block, as indicated in the respective topographical diagram dated August 3, 1960,
 - to the Drapetsona area, above the railway station, as indicated in the respective topographical diagram dated October 20, 1961, drawn up by the PPA's technical service,
 - to the Keratopyrgos location (Hercules port), for the construction of a warehouse for flammable goods,
 - to the Keratopyrgos location of the Saint George area at Keratsini,
 - to the Kynosoura Peninsula,
 - from the Kanaris Bay area to the Palaskas Bay (pier 4) and extended on the Freattyda coast from the Northwest tip of the Naval Hospital to Makrygianni Street, up to the mainland border of the coastal avenue sidewalk,
 - to the Protopsalis coast of the Municipalities of Piraeus and New Faliron, as per resolution 640/63 of the PPA's management board, ratified by Ministerial Decision and as indicated in the respective diagram under number 417/1.06.63, drawn up by the PPA's technical services,
 - to the Xaveri coast area, beyond the Kampas factory,
 - to the Kynosoura area (Ampelakia Community) of the island of Salamina,
 - to the area of the Royal Pavillion of the Municipality of Piraeus,
 - by the entrance to the Hercules Port of the Municipality of Keratsini,
 - to the Xaveri area,
 - to the intersection of Zoodohou Pigis and Mytilinis roads, on the Xaveri coast,
 - to the Saint Nicholas area and the Giannoulatos building block by the Tzelepi coast,
 - to the remaining part of the Kynosoura Peninsula of the island of Salamina, and
 - to the entire region of the islands of Psyttaleia, Atalanti and Hoirades Scrofes, excluding a security zone of a range of 200 m around the Psyttaleia Lighthouse (Art. 12, par. 5 of Law N. 1629/1951) and subject to the conditions prescribed in document no. F. 854.14/2/75/23.12.1975 of the Naval Command.
 - to the area of the Faliron Bay, as follows:
 - a) from Syngrou Avenue to the H.E.A.P. pumping station, along the entire length of the coastal road sidewalk, and
 - b) from the HEAP pumping station to the the EHS theater, including the land along the length of the existing coastal dock, i.e., including the entire width of the dock within the land zone of the Piraeus Port, as per diagrams I and II of the respective Ministerial Decision.
- Lastly, the Zea Bay Marina is owned by the Greek State in accordance with the provisions of Law 2344/1940. By virtue of Legislative Decree 5444/1966 and Ministerial Decision 70329/2560/26.10.1966, use of the said area was conceded to the Hellenic Tourism Organization. The Municipality of Piraeus claims a right of use of the same area.

The Piraeus Free Zone (article 4 of Law 1559/50) is the area of land and sea within the Port area that used to be designated from time to time by the PPA's management board, by way of resolution ratified by the Ministers of Public Works, Finance and National Economy. Today, the area of the Free Zone is defined by indent b of Article 1 of Decision no. 0.706/22/ C0019 / 30.12.94 of the Minister of Finance, while its operation is governed by Regulation 2700/00/EC.

The Piraeus Free Zone is a commercial zone (transshipment and bonded warehousing) and goods located therein may either be imported to Greece or transshipped, either in their existing form or following processing. For customs purposes, the area of the Free Zone is not a domestic site and, therefore:

1. No control may be exercised within the Free Zone by customs officers on goods transported or stored, with the exception of state monopoly goods.
2. No duties, import charges, other taxes, levies or excise of other nature is imposed or collected in relation to goods transported or destroyed for any reason within the Free Zone.
3. No duty or import charge is collected on transported foodstuffs or supplies or materials for small-scale repairs of ships within the Free Zone, if such ships: a) bear a foreign flag; or b) bear a Greek flag, but operate on international lines and provided that supplies are intended for consumption while the ships operate on such lines. Similarly, materials for small-scale repairs on ships bearing the Greek flag and operating on domestic routes are exempt, provided the ships have a capacity in excess of 300 tons and repairs take place within the free Zone.
4. Handling of goods in general within the Free Zone is freely conducted by the Free Zone authorities and customs authorities may only intervene where a breach of standing legislation has been identified.
5. Import of goods into the zone is possible following a permission by the Port Zone Directorate, on the basis of supporting customs documents, where required. By way of exception, the Customs Office may prohibit the entrance into the Free Zone of certain goods subject to duties at high rates and order their storage on customs grounds, instead. Similarly, the Customs Office may prohibit the entrance into and storage in the Free Zone of monopoly goods. It is noted that provisions of law on state monopoly goods have now been abolished and that provisions on items subject to duties at high rates include items subject to Special Consumption Tax, such as vehicles originating outside the E.U., alcohol products, tobacco products and oil products.
6. The perimeter of the Free Zone is guarded from both sea and land by competent staff of the PPA and customs officers, who monitor strictly transfers of goods out of the zone and into the other areas of the country and vice versa.
7. Breaches of customs legislation consisting in excesses or deficits of items declared or transshipment goods due for control at the destination, are reviewed by the Customs Office.
8. By way of a resolution of the Company's Board of Directors, subject to ratification by the Ministers of Finance and Environment, Planning & Public Works, industrial undertakings may be permitted to create annexes within the Free Zone and enjoy the zone privileges, for the purpose of importing raw and other materials for processing and re-exporting.

By virtue of Law 2688/1999, the PPA was transformed into a corporation, with the main object of managing and exploiting the Piraeus Port, as well as other ports. Paragraph 1 of the first Article of Law 2688/1999 provides the following:

«The legal entity of public law under the name "Piraeus Port Authority», established by way of Law 4748/1930 (Government Gazette 166 A') and restated by Compulsory Law 1559/1950 (Government Gazette 252 A'), ratified by Law 1630/1951 (Government Gazette 8 A'), as subsequently amended and supplemented, is transformed into a corporation under the trade name «Piraeus Port Authority S.A.» and the distinctive title «PPA S.A.».

PPA S.A. is a corporation of public service, intended to serve the public interest, operates on the basis of principles of private economy, enjoys administrative and financial independence, is subject to the supervision of the Minister of Merchant Marine and is governed by the present law and Codified Law 2190/1920, as supplemented by the provisions of Law 2414/1996 (Government Gazette 135 A') and Compulsory Law 1559/1950, as each time in force.»

The above provision, combined with other provisions of Law 2688/1999, stipulate a special transformation by operation of law, which includes the transposition of "PIRAEUS PORT AUTHORITY" to the private sector and the assumption by it of the legal form of a corporation.

Paragraph 2 of the first Article of Law 2688/1999 regulates the issue of global succession, by operation of law, of the corporation established by it to the rights and obligations of the pre-existing legal entity of public law, as follows:

«The entire movable and immovable property of the transformed legal entity is transferred to PPA S.A., which is subrogated automatically to all of its rights and obligations. All pending litigation of the transformed legal entity continues in the person of PPA S.A., without interruption and without the need for further formalities or actions for such purpose. Any issues as to competence that may arise shall be resolved by the courts before which disputes are pending for resolution.»

A Free Zone operates within the Port of Piraeus, as designated by indent (b) of Article 1 of Decision no. 0.706/22/C0019/30.12.1994 of the Minister of Finance. Following the publication of Decision no. T. 3129/23/C0019/10.7.2001 of the Minister of Finance (Government Gazette 960B/26.7.2001), the Free Zone operates as a type II Free Zone, in accordance with Regulation 2700/00/EC.

7.4 Company Activities

7.1.1 Nature of Activities

The main activities of the Port consist in the provision of ship mooring services, the handling of cargo and the provision of loading and unloading services, goods warehousing and handling of cars. In addition, the Company is responsible for the maintenance of the Port facilities, the provision of port facilities (provision of water, power, telephone connections, etc.) and the servicing of passenger traffic (coastal lines and cruise ships). The Company's activities are not intensely seasonal, with the exception of services related to coastal passenger and cruise ship traffic.

A number of Port-related activities are not within the Company's responsibilities and include the following:

- Piloting of ships within the port. This service is offered by the Ministry of Merchant Marine on a 24-hour basis.
- Policing of the Port. This service is offered by the Port Police.
- Towage. This service is offered by private undertakings with operate tugboats.
- Sanitary inspections within the State's competence.
- Customs inspections within the State's competence.
- Handling of solid and liquid wastes and disposal of petrol wastes, which services are offered by independent third parties, following a tender procedure administered by the Company.

It is noted that, in accordance with the Concession Agreement concluded between the Greek State and PPA S.A., PPA S.A. has been granted the right to use and exploit land, buildings and other infrastructure and facilities. The right to use and exploit the above consists in the right of PPA S.A., throughout the term of the concession, to possess, occupy, use and exploit the Port Land Zone, the buildings, the infrastructure and their extensions for the purpose of furthering the mission of the Port of Piraeus. PPA S.A. has undertaken to exercise such right in a manner compatible with port activities, for the support of activities and business initiatives that directly promote the provision of port services and port facilities.

According to the Company, the following constitute factors that may affect demand for its services:

- On a European institutional level, the potential liberalization of use and exploitation of ports, which shall contribute to the liberalized provision of port services, as well as to transparency of tariffs, etc. The notion of transparency of tariffs relates to the manner implemented for the cost analysis of services offered in ports and, further, to the manner whereby investments in ports are funded. The purpose of the current draft proposal for a Directive is to reduce the cost of services and enhance their quality, by intensifying competition both among the port areas, as well as among ports.

- Any material change in the container, car or cruise ship markets, both at Mediterranean and at worldwide level.
- The interconnection of the Container Terminal with the national railroad network at the Thriassion Plain, which is expected to boost contained traffic. The above interconnection (currently planned for the year 2005) is expected to increase traffic of local cargo, by expanding significantly the Piraeus hinterland, which could extend further than its current range of the Attika basin and Mainland Greece to the North (Thessaly, Macedonia and the Balkans), as well as to the Peloponnese.
- The development of the passenger port, which depends on sufficient interconnection with means of urban transport, road interconnections and the urban development of Piraeus. The smooth and uninterrupted transport of passengers to and from the Port does not depend on the Company, but remains a key factor for the development of the central Port.

In addition, factors that could affect tariffs for port services include the following:

- The intense competition on tariffs from other Mediterranean ports, which continues to operate as a factor suppressing tariffs in relation to both key freight categories (namely, containers and vehicles).
- Government policies on the pricing of services of public service companies, which combined with macroeconomic efforts to retain inflation at low levels, may operate as a factor inhibiting increases to service tariffs as a whole.

The main categories of customers of the Company include marine agents, conventional cargo maritime companies, container shipment companies, vehicle manufacturers, forwarding agents (companies that undertake transport of goods, usually through means of third parties), companies operating coastal liners and cruise ship operators.

7.1.2 Procedures for the Provision of Port Services

The customary procedure for the provision of port services by PPA S.A. (acceptance, storage and delivery of goods) is the following:

1. Notification of the Coordination Center of Operations and Cargo Allocation in relation to the arrival of a ship. The notification may significantly precede the time of arrival and is made through the submission of a pertinent application, including by facsimile.
2. In anticipation of the date of arrival of a ship at Piraeus, there are intermediate instances of verification of the estimated date and time of arrival, for the purpose of ensuring better service of the ship, the cargo or the passengers, as the case may be. The above procedures are standardized and stipulated in regulations which are service-specific. Designation of the mooring position and deployment of personnel and equipment by the PPA for any particular ship depends on the type of cargo, the technical specifications of the ship and the requested type of storage. It is noted that the possibility exists for arranging service on a rendezvous basis, at a dedicated location agreed in advance.
3. Stevedoring and storage services are programmed by shifts on a 24-hour basis, until all cargo with Port of Piraeus as the destination has been fully unloaded. Storage of cargo may take place in: a) ground-level sheltered areas; b) open-air sites; c) special facilities for the storage of containers, including cooled containers (reefers); and d) specially designated areas for the storage of cargo classified as I.M.O.1.¹⁴, up to a certain hazard rating, with the exception of cargo classified as I.M.O 1.1, which are not stored within the Port and include explosive substances. Frozen goods in conventional cooling packaging are unloaded at the Port and forwarded immediately to private warehouses or cooling facilities in areas outside the Port.

¹⁴ *International Maritime Organization*

The following table shows an analysis of turnover data by category of service provided, on the basis of published financial data for the period exceeding twelve months that ended December 31, 2000 and the company years 2001 and 2002:

ANALYSIS OF TURNOVER PER INCOME CATEGORY						
Activity	1.6.1999 – 31.12.2000		1.2001- 31.12.2001		1.2002- 31.12.2002	
	(in € ,000)	%	(in € ,000)	%	(in € ,000)	%
TOTAL INCOME FROM SERVICES TO COASTAL LINER AND CRUISE SHIP PASSENGERS	10,134	5.66%	6,388	5.4%	7,151	5.5%
Income from Passengers	7,422	4.15%	4,546	3.9%	5,168	3.9%
Income from Vehicles	2,712	1.51%	1,842	1.6%	1,983	1.5%
TOTAL INCOME FROM STEVEDORING – LOADING – HANDLING AND DELIVERY OF CARGO	125,972	70.37%	84,485	72.0%	94,700	72.47%
Income from unloading of domestic – international ships	40,616	22.69%	26,406	22.5%	27,307	20.9%
Income from loading of domestic – international ships	17,479	9.76%	11,110	9.5%	12,976	9.9%
Income from transshipment of domestic – international ships	23,478	13.12%	17,550	15.0%	22,317	17.1%
SILOs income for domestic/international ships	302	0.17%	315	0.3%	282	0.2%
Income from cargo storage	22,145	12.37%	16,016	13.6%	18,858	14.4%
Dock dues – direct acceptance/delivery	1,033	0.58%	780	0.7%	961	0.7%
Dock dues – indirect acceptance/delivery	20,725	11.58%	12,170	10.4%	11,952	9.1%
Provision of means for stevedoring operations	194	0.11%	138	0.1%	47	0.0%
TOTAL INCOME FROM SERVICES TO SHIPS	29,241	16.34%	17,796	15.2%	18,915	14.5%
Ship dues (berthing, stern berthing, harbouring, wrecks)	12,842	7.17%	8,568	7.3%	9,827	7.5%
Charges for the provision of repair sites	4,742	2.65%	2,679	2.3%	2,067	1.6%
Docking charges	3,982	2.22%	1,647	1.4%	2,246	1.7%
Watering charges	5,682	3.17%	3,399	2.9%	3,335	2.5%
Power connection charges	1,825	1.02%	1,418	1.2%	1,306	1.0%
Telecommunication connection charges	167	0.09%	85	0.1%	134	0.1%
TOTAL OTHER INCOME	13,555	7.63%	8,714	7.4%	10,080	7.7%
TOTAL INCOME	179,002	100%	117,382	100%	130,846	100.0%

As deduced on the basis of the above table, income from the provision of cargo loading/unloading, storage, acceptance and delivery services contributed the major portion of the Company's turnover (72%) for the company year 2001, while such contribution rose to 72.4% in the year 2002. Within such category, income from loading and unloading services of domestic and international ships represent the biggest share of the Company's aggregate turnover, namely 22.5% and 20.9% for the years 2001 and 2002, respectively, while domestic and international ship transshipment income represented 15% and 17.1% in 2001 and 2002, respectively.

Other than income from cargo loading/unloading, storage, acceptance and delivery services, 15.2% and 14.5% of the aggregate turnover for the years 2001 and 2002, respectively, arose from the servicing of ships. Specifically, of the income from services to ships 7.30% and 7.5% in 2001 and 2002, respectively, related to charges to ships (mooring, harboring, etc.).

Other income relates mainly to overtime work, additional services, issuance of permits and port levies. Overtime charges are included in all income collected by the PPA for services provided and represent 6% of such collections. A percentage of 25% of such income from overtime is paid to employee social security funds, while the remaining 75% is applied to cover the cost of employee overtime; any excesses are also paid to social security funds.

The following table presents an analysis of the Company's turnover for the two company years for which published financial data are available, broken down by category of service, per the National Activity Nomenclature (STAKOD):

TURNOVER ANALYSIS PER CATEGORY OF INCOME per STAKOD							
Income Code	Activity	1.6.1999 – 31.12.2000		1.1.2001 – 31.1.2001		1.1.2002 – 31.1.2002	
		(in €,000)	%	(in €,000)	%	(in €,000)	%
631,1	Cargo handling	96,862	54.1	64,617	55	72,712	56%
631,2	Storage	23,499	13.1	17,007	14	20,778	16%
632,2	Other transport activity via waterways	58,640	32.8	35,760	30	37,356	28%
Total		179,001	100.0%	117,384	100,0%	130,846	100%

7.1.3 Description of Activities

The object of the Company's activities spans throughout the range of port activities, includes services to ships, to cargo and to passengers and may be distinguished between commercial and passenger activities. In parallel, PPA S.A. exploits extensive areas and facilities within its territory, by leasing them to third parties.

Specifically, the activities of PPA S.A. may be categorized as follows:

- Servicing of coastal ferry and cruise ship passengers
- Cargo loading/unloading services and dock services
- Services to ships
- Additional services and other income

It is being noted that the tables which follow within this section include statistical data for the period 1998 – 2002, on an annual basis.

Servicing of Coastal Ferry and Cruise Ship Passengers

The Port of Piraeus is one of the most important passenger ports in the world, taking into consideration the fact that more than 10 million passengers use its services per annum. In addition, the coastal ferry crossing between Salamina and Perama is used by approximately 8 million passengers per annum. Passenger traffic is classified between coastal ferry passenger traffic, including transport of vehicles, and cruise ship passenger traffic. The above categories are described as follows:

Services to Coastal Ferry Traffic

The Port of Piraeus is the country's most important hub for the connection of mainland Greece with the Aegean islands and Crete. The Company dedicates 27 ship berths to coastal ferry traffic, as well as positions for hydrofoils and small car ferries. Four terminals are currently in operation for the servicing of coastal ferry passengers, operating cafeterias and waiting halls. PPA S.A. operates a shuttle service from the gate next to the urban railroad station to the docks of the St. Denis and Hietion coasts and operates an underground parking station within the port area (Karaiskaki square), with a capacity of 500 vehicles.

Services to Cruise Ship Traffic

The Port of Piraeus is an important destination for cruise ships within the Mediterranean, operates 9 berths and is capable of hosting the biggest ships in that category. In 2002, the Port of Piraeus was accessed by 672,000 international passengers. A bank, currency exchange facilities, duty free shops and other facilities are available to passengers within the International Passenger Terminal, which also operates an open-air parking for tourist buses. Shuttling of passengers from mooring slots to the Passenger Terminal is made by means provided by the Company.

The following table presents passenger traffic for the period 1998 – 2002:

PASSENGER TRAFFIC, 1998 – 2002					
NUMBER OF PASSENGERS	1998	1999	2000	2001	2002
DOMESTIC					
COASTAL FERRIES	5,624,656	5,983,355	6,198,151	7,018,853	7,593,359
SARONIC GULF DESTINATIONS	2,740,032	2,912,040	3,022,717	3,038,842	3,532,414
TOTAL Domestic	8,364,688	8,895,395	9,220,868	10,057,695	11,125,773
INTERNATIONAL					
LINERS	128,809	153,171	201,772	90,481	50,122
CRUISESHIPS	254,221	204,217	278,469	231,836	152,433
TRANSIT	364,906	262,270	461,756	587,030	469,528
TOTAL International	747,936	619,658	941,997	909,347	672,083
Total	9,112,624	9,515,053	10,162,865	10,967,042	11,797,856
Coastal Crossing Traffic	8,136,654	8,742,643	8,678,910	8,214,082	8,168,496
TOTAL PASSENGER TRAFFIC	17,249,278	18,257,696	18,841,775	19,181,124	19,966,352

In 1999, the aggregate passenger traffic (coastal ferry and cruise ship traffic) increased by 4.4% over 1998, a trend which continued in 2000 at a rate of 6.8%. A large part of such increase in 2000 relates to international passengers and especially passengers in transit from the Port of Piraeus; the traffic of such category increased by 76% in comparison to 1999. In 2001 the aggregate passenger traffic increased by 7.9%. The largest portion of such increase is justified by the increase by 10% of the number of coastal ferry passengers, while in 2002 total passenger traffic increased by 4.1%, which is attributable to an increase by 16% of the number of passengers to Saronic Gulf destinations.

The following table presents transit of loaded vehicles (domestic traffic) for the period 1998-2002:

DOMESTIC VEHICLE TRANSIT					
	1998	1999	2000	2001	2002
Trucks	210,105	221,446	232,691	263,318	270,000
Passenger Vehicles	392,080	443,062	464,472	513,309	52,309
Buses	5,489	5,241	3,634	4,526	5,000

Cargo Loading/Unloading and Storage Services

• Loading/Unloading Services

1. Container Terminal Services

The Port of Piraeus possesses facilities that enable it to service cargo of any nature, with emphasis on the handling of containers. In 1999, 964,902 TEUs were transported through Piraeus. In 2000 transport of containers increased by 20.3% to an aggregate of 1,161,000 TEUs, a number which ranks Piraeus as the 46th port in the world, 1st in the Eastern Mediterranean¹⁵ and 23rd worldwide in terms of the rate of increase. In 2001, the above figures increased to 1,165,797 TEUs, demonstrating an increase of 4%. In 2002, 1,404,939 TEUs were transported, noting an increase of 21% compared to 2001, placing the Port of Piraeus in the 47th position worldwide in connection with container trafficking¹⁶, the 6th position in container trafficking in the Mediterranean and the 1st position in the Eastern Mediterranean.

Handling of containers includes:

- Import/Export of loaded containers
- Container transshipment
- Loading/Unloading of empty containers

The following table presents data for the period 1998 - 2002:

	CONTAINER TRAFFIC 1998 – 2002									
	1998		1999		2000		2001		2002	
	TEUs ⁽¹⁾	TONS	TEUs ⁽¹⁾	TONS	TEUs ⁽¹⁾	TONS	TEUs ⁽¹⁾	TONS	TEUs ⁽¹⁾	TONS
1. Import	260,918	2,874,425	287,504	3,127,486	287,923	3,186,798	273,555	3,046,920	290,600	3,132,988
2. Transshipment	181,668	2,136,173	184,263	2,167,936	266,533	3,046,411	278,536	3,281,415	385,239	4,592,631
Total Unloading	442,586	5,010,598	471,767	5,295,422	554,456	6,233,209	552,091	6,328,335	675,839	7,725,619
1. Export	87,048	992,686	97,657	1,097,782	104,241	1,185,800	97,106	1,110,415	103,095	1,067,660
2. Transshipment	184,474	2,170,781	182,514	2,290,023	252,624	3,155,937	282,192	3,843,859	377,194	4,494,074
Total Loading	271,522	3,163,467	280,171	3,387,805	356,865	4,341,737	379,298	4,954,274	480,289	5,561,734
Total Loaded	714,108	8,174,065	751,938	8,683,227	911,321	10,574,946	931,389	11,282,609	1,156,128	13,287,353
Empty (loading – unloading)	218,988	0	212,964	0	249,778	0	234,408	0	248,811	0
Total Traffic	933,096	8,174,065	964,902	8,683,227	1,161,099	10,574,946	1,165,797	11,282,609	1,404,939	13,287,353
Annual Change			3.4%	6.2%	20.3%	21.8%	4%	6.69%	21%	18%

⁽¹⁾ TEUs : Twenty feet Equivalent Unit (unit of volume, equivalent to that of a container measuring 20 times 8 times 8 feet)

In 1999 the aggregate container traffic in TEUs increased by 3.4%. The biggest part of such increase related to import/export activities of the Port, which in 1999 represented 40% of the aggregate traffic, increasing from 37% in 1998.

The aggregate container traffic in the Port in 2000 exceeded 1,000,000 TEUs, reporting an increase of 20.3% over 1999. This increase highlights the Company's position in the global network of ports facilitating container traffic and is due to the increase of transshipment activity by 41.5% over 1999, based on the Company's contractual relationships with major clients.

¹⁵ Containerization International Yearbook 2002

¹⁶ Source: Containerization International Yearbook 2002

One must point the fact that, notwithstanding the significant contribution of transshipment activities to the aggregate Port traffic, the corresponding contribution of import/export transshipment income to total income is 14.9%. As a result, if the relationship with major customers is terminated, the reduction in income will not be proportional to the potential decrease in traffic. The Company anticipates that in a potential case of major client relationship termination, the import/export activity of major clients will not be lost, due to its inelastic nature, but will be redistributed among other clients. The comparative advantage offered by the Port of Piraeus in relation to import/export activity, due to its geographic location and the significant domestic market, is expected to attract other clients that may offer to replace part of the transshipment business lost. The Company justifies the above rationale on the desires of major customers for capitalizing on synergies and creating economies of scale, by combining import/export transshipment in the course of approaches by “mother” vessels.

In 2001, the aggregate container traffic in TEUs increased by 4%. The Port’s import/export activity reported a slight decline, representing 31.8% of aggregate traffic, while transshipment activity increased and represented 48% of aggregate traffic.

In 2002, total traffic of containers in TEUs increased by 21% over the preceding year. Such increase is mainly attributable to the increase of transshipment shifts (by 36%), which account for 54% of the aggregate cargo traffic. A small increase (6%) was also noted in the Port’s import/export activity.

1.1. Car Terminal Services

The Port of Piraeus offers loading and unloading services for vehicles (mainly passenger vehicles) at the car terminal. It must be noted that car traffic is considered to present important prospects for growth, in view of the fact that major companies have expressed an interest for using the Port as transshipment hub, especially in relation to the markets of the Black Sea, the Middle East and the Adriatic Sea. The following table presents traffic of vehicles on board of car ferries through the Port of Piraeus.

CAR TRAFFIC THROUGH INTERNATIONAL CAR FERRIES, 1998 – 2002										
	1998		1999		2000		2001		2002	
	VEHICLES	TONS	VEHICLES	TONS	VEHICLES	TONS	VEHICLES	TONS	VEHICLES	TONS
UNLOADING	211,400	226,634	310,858	335,001	327,645	374,862	303,699	336,699	299,318	347,122
LOADING	12,097	14,534	16,891	22,151	25,949	35,301	19,105	25,871	22,127	30,932
TOTAL	223,497	241,168	327,749	357,152	353,594	410,163	322,804	362,570	321,445	378,054

In 1999 the aggregate number of cars loaded and unloaded at the Car Terminal of the Port of Piraeus increased by 46.6%, a trend which continued in 2000 at the rate of 7.9%. In 2001 the number of vehicles loaded and unloaded declined by 8.7%, while in 2002 the drop was of the order of 0.4%.

2. Conventional Freight Traffic

Traffic of conventional freight to and from domestic and international ships includes the following categories:

- Loading/unloading of general cargo
- Loading/unloading of dry and bulk cargo, effected by usual means, by way of silo suction or through the use of gantry cranes.
- Cargo transshipment
- Loading/unloading of cargo on means of land transport (T.I.R.¹⁷ trucks).

¹⁷ Transport International par Route

I. General Cargo

The following table presents the general cargo traffic (loading and unloading), both domestic and international, for the period 1998 – 2002:

CONVENTIONAL CARGO TRAFFIC, EXCLUDING BULK AND RO-RO (IN METRIC TONS ¹)									
	1998	1999	ANNUAL RATE OF CHANGE (%)	2000	ANNUAL RATE OF CHANGE (%)	2001	ANNUAL RATE OF CHANGE (%)	2002	ANNUAL RATE OF CHANGE (%)
A.INTERNATIONAL									
General cargo unloading	246,308	189,963	-22.9%	208,074	9.5%	180,141	-13.4%	173,094	-3.9%
General cargo loading	10,739	51,876	383.1%	14,899	-71.3%	12,253	-17.8%	10,774	-12.1%
TOTAL INTERNATIONAL	257,047	241,839	-5.9%	222,973	-7.8%	192,394	-13.7%	183,868	-4.4%
B.DOMESTIC									
General cargo unloading	1,116,478	1,183,118	6.0%	1,273,582	7.6%	1,418,697	11.4%	1,457,013	2.7%
General cargo loading	1,384,955	1,456,770	5.2%	1,529,323	5.0%	1,727,303	12.9%	1,800,650	4.3%
TOTAL DOMESTIC	2,501,433	2,639,888	5.5%	2,802,905	6.2%	3,146,000	12.2%	3,257,663	3.6%
GRAND TOTAL (DOMESTIC INTERNATIONAL)	– 2,758,480	2,881,727	4.5%	3,025,878	5.0%	3,338,394	10.3%	3,441,531	3.1%

Note: Data do not include Ro-Ro cargo traffic

⁽¹⁾ 1 Metric ton = 1,000 kilos

In 1999 the aggregate general cargo traffic increased by 4.5% over the year 1998, while in 2000 the rate of change was 5%. In 2001 the rate of change was 10.3%, while a further increase of 3.1% was noted in 2002.

II. Bulk Cargo

The following table presents bulk cargo traffic (loading and unloading) for the period 1998 – 2002:

BULK CARGO TRAFFIC (IN METRIC TONS ¹)									
	1998	1999	ANNUAL RATE OF CHANGE (%)	2000	ANNUAL RATE OF CHANGE (%)	2001	ANNUAL RATE OF CHANGE (%)	2002	ANNUAL RATE OF CHANGE (%)
A.INTERNATIONAL									
1.Unloading									
Dry cargo	676,335	659,163	-2.5%	300,770	-54.4%	431,404	43.7%	374,483	-13.19%
Liquid cargo	99,176	53,025	-46.5%	40,202	-24.2%	23,437	-41.7%	31,483	34.33%
Total	775,511	712,188	-8.2%	340,972	-52.1%	454,841	33.4%	405,966	-10.75%
2.Loading									
Dry cargo	118,956	185,778	56.2%	71,304	-61.6%	164,753	131%	6,850	-95.84%
Liquid cargo	0	2,223	-	4,174	87.8%	0	-100%	986	
Total	118,956	188,001	58.0%	75,478	-59.9%	164,753	118.3%	7,836	-95.24%
TOTAL INTERNATIONAL	894,467	900,189	0.6%	416,450	-112%	619,594	48.7%	413,802	-33.21%
B.DOMESTIC									
1.Unloading									
Dry cargo	775,363	944,306	21.8%	1,063,174	12.6%	576,505	-45.8%	623,658	8.18%

BULK CARGO TRAFFIC (IN METRIC TONS ¹)									
	1998	1999	ANNUAL RATE OF CHANGE (%)	2000	ANNUAL RATE OF CHANGE (%)	2001	ANNUAL RATE OF CHANGE (%)	2002	ANNUAL RATE OF CHANGE (%)
Total	775,363	944,306	21.8%	1,063,174	12.6%	576,505	-45.8%	623,658	8.18%
2.Loading									
Dry cargo	14,323	12,990	-9.3%	2,822	-78.3%		-100%	138,102	
Liquid cargo	0	0	-	0	-			0	
Total	14,323	12,990	-9.3%	2,822	-78.3%		-100%	138,102	
TOTAL DOMESTIC	789,686	957,296	21.2%	1,065,996	11.4%	576,505	-45.8%	761,760	32.13%

⁽¹⁾ 1 Metric ton = 1,000 kilos

It is noted that the category of liquid bulk cargo indicated on the above table does not include unloading of petrol and oil products, which takes place at the Hellenic Refineries of Aspropyrgos and the remaining piers of the Port of Piraeus, under concession by PPA S.A. to private businesses or third parties.

Traffic of domestic and international bulk cargo increased in 1999 by 10.3% compared to 1998. However, in 2000 a decline of that activity of the Port was reported by 20.2%, especially due to the significant reduction in bulk cargo traffic outside of Greece and the temporary interruption of operation of the silos in 2000. A basic factor which contributed to the reduction of bulk cargo traffic is the general international trend to use containers, even for the transport of bulk cargo. The reduction in domestic and international bulk cargo traffic continued in 2001, when a reduction of 19.3% was reported in comparison to 2000. International bulk cargo traffic increased by 48.7%, while domestic bulk cargo traffic reported a decline of 45.8%. In 2002 a further decline of 1.7% was noted in aggregate bulk cargo traffic and international bulk cargo traffic dropped by 33.2%, while domestic bulk cargo traffic increased by 32.3%.

III. Traffic through International Ferries

The following table presents traffic through international ferries (loading and unloading) for the period 1998 – 2002:

CARGO TRAFFIC THROUGH INTERNATIONAL FERRIES (IN METRIC TONS ¹)									
	1998	1999	Annual Rate of Change (%)	2000	Annual Rate of Change (%)	2001	Annual Rate of Change (%)	2002	Annual Rate of Change (%)
Unloading	322,448	406,060	25.9%	455,153	12.1%	422,565	-7.2%	424,232	0.4%
Loading	49,240	70,955	44.1%	90,100	27.0%	78,476	-12.9%	95,502	21.7%
Grand Total	371,688	477,015	28.3%	545,253	14.3%	501,041	-8.1%	519,734	3.7%

⁽¹⁾ 1 Metric Ton = 1,000 kilos

The aggregate cargo traffic through international ferries noted an increase of 28.3% in 1999, which corresponds to increases by 25.9% and 44.1% in unloading and loading, respectively. Such trend of increase continued in 2000, though by a lower rate of change of 14.3% compared to 1999. In 2001, cargo traffic through ferries recorded a reduction by 8.1%. However, in 2002 an increase by 3.7% was noted again, which is mainly due to an increase of loading operations by 21.7%.

- **Storage Services**

Within the Port area, the Company possesses a number of extensive open and covered storage areas for cargo in custody, as well as cereal silos.

In addition to storage areas, the Company operates a container loading and unloading site with an area of 19,200 m².

The Port's warehouses primarily operate under Free Zone status; as of June 25, 2002, the Piraeus Free Zone operates as a type II Free Zone, in order to facilitate unhindered transit of Community merchandise.

• *Dock Services*

These services include taking delivery of cargo for loading onboard domestic/international ships and services of delivery of cargo unloaded from domestic/international ships, as well as cargo imported on means of land transport.

Specifically, these services are classified as follows: immediate delivery services, when acceptance or delivery is effected directly, without dock stacking or storage at the Company's warehouses and indirect acceptance or delivery, when as an intermediate step, goods are either stacked on the dock or are stored at the Company's warehouses.

Services to Ships

The Company provides a series of services to ships approaching the Port of Piraeus, including the following:

- Harboring, mooring and berthing of cargo and passenger ships, as well as harboring of ancillary vessels. The Company collects fees for such services.
- Provision of tanks (floating and fixed) for ship repairs. The Company owns two fixed and two floating repair tanks, which are leased to ship owners for the conduct of repair and remedial works. The Company does not provide ship repair services itself; these are provided by other private undertakings.
- PPA S.A. provides services for admission to berths at the ship repair zone of the Port for the provision of repair services on ships and
- Other services, such as the provision of water, electricity and telephone connections to ships anchored within the Port of Piraeus. Specifically, PPA S.A. offers supplies of water either through its network or through floating water tanks. In addition, the Company provides to berthed ships throughout the Port area (other than those within the Central Port area), connection to the network of the Public Power Corporation, and the international telephony networks. Ships are charged at pre-determined rates for the above services.

The following table presents services provided to domestic and international ships from the Port's docks, for the period 1998 – 2002:

	MARITIME TRAFFIC, 1998 – 2002									
	1998		1999		2000		2001		2002	
	ARRIVALS	R.T. ⁽¹⁾	ARRIVAL	R.T. ⁽¹⁾	ARRIVAL	R.T. ⁽¹⁾	ARRIVAL	R.T. ⁽¹⁾	ARRIVAL	R.T. ⁽¹⁾
	(G.T.) ⁽²⁾		S	(G.T.) ⁽²⁾	S	(G.T.) ⁽²⁾	S	(G.T.) ⁽²⁾	S	(G.T.) ⁽²⁾
INTERNATIONAL										
1. Cargo ships	5,217	59,238,105	4,861	61,649,219	4,674	60,528,822	4,487	59,813,514	4,439	76,154,727
2. Passenger ships	941	12,477,820	838	10,993,864	1,062	16,307,041	942	18,761,025	545	12,157,191
TOTAL	6,158	71,715,925	5,699	72,643,083	5,736	76,835,863	5,429	78,574,539	4,984	88,311,918

MARITIME TRAFFIC, 1998 – 2002										
	1998		1999		2000		2001		2002	
	ARRIVALS	R.T. ⁽¹⁾ (G.T.) ⁽²⁾	ARRIVAL S	R.T. ⁽¹⁾ (G.T.) ⁽²⁾	ARRIVAL S	R.T. ⁽¹⁾ (G.T.) ⁽²⁾	ARRIVAL S	R.T. ⁽¹⁾ (G.T.) ⁽²⁾	ARRIVAL S	R.T. ⁽¹⁾ (G.T.) ⁽²⁾
DOMESTIC										
1. Cargo ships	1,069	1,099,095	1,005	1,047,577	932	946,617	492	568,971	1,267	2,358,866
2. Passenger ships	21,121	47,420,705	20,493	50,036,484	22,220	51,393,943	24,800	59,840,274	21,651	73,082,876
TOTAL	22,190	48,519,800	21,498	51,084,061	23,152	52,340,560	25,292	60,409,245	22,918	75,441,742
TOTAL CARGO	6,286	60,337,200	5,866	62,696,796	5,606	61,475,439	4,979	60,382,485	5,706	78,513,593
TOTAL PASSENGER	22,062	59,898,525	21,331	61,030,348	23,282	67,700,984	25,742	78,601,299	22,196	85,240,067
GRAND TOTAL	28,348	120,235,725	27,197	123,727,144	28,888	129,176,423	30,721	138,983,784	27,902	163,753,660

⁽¹⁾ Registered Tons (unit of volume)

⁽²⁾ Gross tonnage

In 1999, aggregate maritime traffic, in terms of arrivals of ships (commercial cargo and passenger ships, domestic and international) recorded a decline by 4.1% in comparison to 1998, while it recorded an increase of 6.2% in 2000, compared to 1999. Of the aggregate ship traffic in 2000, a percentage of 80% relates to passenger ships, the transit of which through the Port of Piraeus increased by 9.1% in 2000, compared to 1999. In 2001, maritime traffic on the aggregate, as regards arrivals of ships (commercial cargo and passenger ships, domestic and international), increased by 6.3%. Of the aggregate ship traffic in 2001, a percentage of 84% relates to passenger ships, the transit of which through the Port of Piraeus recorded an increase of 10.6% over the year 2000. As regards 2002, total ship traffic noted a decline by 9.2%, compared to 2001. Arrivals of passenger ships were reduced by 13.8%, while arrivals of cargo ships increased by 14.6%. In each case however, passenger ships continued in 2002 to contribute by 79% to overall maritime traffic.

The following table presents docked ships for the period 1998-2002:

TABLE OF DOCKED SHIPS										
	1998		1999		2000 ⁽¹⁾		2001 ⁽²⁾		2002	
DOCK	Total Ships	Total R.T.	Total Ships	Total R.T.	Total Ships	Total R.T.	Total Ships	Total R.T.	Total Ships	Total R.T.
Large Floating	108	1,258,871	117	1,249,577	87	1,025,071	25	270,151	91	1,031,296
Small Floating	76	210,877	85	258,801	89	220,859	81	192,937	72	160,316
Large Dry	86	405,751	101	468,198	99	471,055	78	356,451	79	345,611
Small Dry	73	61,377	61	52,545	69	51,332	70	47,835	57	39,106

(1) The large floating dock was out of operation for the period 7.10.2000 to 31.12.2000, due to scheduled maintenance.

(2) The large floating dock was out of operation for the period 1.1.2001 to 6.9.2001, due to scheduled maintenance.

Additional Services

This category of services includes additional services onboard ships or on the dock (opening/closing of hulls, cargo shifting, container filling/emptying, sorting, weighing, etc.).

Other Income

This category includes certain special activities related to the servicing of cargo (overtime, zone permits, etc.), as well as certain activities which PPA S.A. has delegated to third parties (collection of waste and ship liquid residues, certain stevedoring activities).

As regards the provision of stevedoring services, PPA S.A. may, on the basis of Article 1, par. 3 of the “Stevedoring and Transport Regulations and Tariffs” (“STRT”), following a resolution of its Board of Directors, by way of derogation from the rule of exclusivity of provision of the said services through own means and personnel, extend to third parties (legal entities or individuals) the right to conduct certain stevedoring activities either for a determined period of time or for a specified instance.

On the basis of the above provision, the Company’s Board of Directors issues each year resolutions, whereby it affords to oil and gas companies, as well as to other companies with annexes in the port the right to conduct stevedoring activities, through their own means and personnel.

PPA S.A. has provided by means of a concession of piers of the Port of Piraeus to certain oil and gas companies, as follows:

Contract Number	Counterparty	Object/ Description of Concession Facilities	Area in m ² or in m ² and in current meters	Term of Concession	of
87/1998 Act of PPA S.A.	E.L. PETROL S.A.	Use of outdoor space – joint use of pier	Old space 2,149 m ²	01/03/1998 until 28/02/2003	
32/2003 Act of PPA S.A.			New space 2,240 m ² & 66c.m. & 1,549 m ²	Extension until 30.6.2003	
182/2000 Act of PPA S.A.	B.P. GREECE LIMITED	Use of outdoor space – joint use of pier	Old space 3,508 m ²	Until 31/12/2001	
			New space (29% contribution) 10,828 m ² & 317 c.m. & 7,487 m ² & 3,070.46 c.m.	Extension until 31/12/2003 by way of Act of Company’s Managing Director (M.D.)	
1781/98 32/2003 Act of PPA S.A.	SHELL HELLAS S.A.	Use of outdoor space – joint use of pier	Old space 1,932 m ²	01/03/1998 until 28/02/2003	
			New space (39% contribution for joint use of pier with PPA S.A.) 426c.m. & 10,069m ² & 14,562m ²	Extension until 30.06.2004	
1817/99 32/2003 Act of PPA S.A.	TRANSPORT AND TRADING HELLAS S.A.	Use of outdoor space – joint use of pier	Old space 2,863 m ²	01/03/1998 until 28/02/2003	
			New space (17% contribution for joint pier) 186 c.m. & 4,389.2 m ² & 6,347 m ²	Extension until 30.06.2004	
1768/98 32/2003 Act of PPA S.A.	ETEK S.A.	Use of shore at Perama	7,135m ² & 32.60 c.m.	01/01/2001 until 31/12/2003	
				Extension until 30.06.2004	
1655/97 32/2003 Act of PPA S.A.	BP HELLAS S.A.	Use of land area and Pier at Drapetsona	2,203 m ² & 85 c.m. / 205m ² & 50 c.m.	01/01/2000 until 31/12/2001	
				Extension until 30/06/2004	
1656/97	(MOBIL HELLAS S.A.) BP HELLAS S.A.	Use of land area and Pier at Drapetsona	5,266m ² (land area) and 1,404m ² sea front 305c.m. & 473/91c.m.	Until 31/12/2001	
				Extension until 31/12/2003 (Act 116/2001 of PPA S.A.’s M.D.)	
1517/96	HELLENIC PETROL S.A.	Use of space at Saint George area of Keratsini	3,360 m ²	17/03/2000 until 16/03/2001	
				Extension until 31/12/2003 (Act 116/2001 of PPA S.A.’s M.D.)	

In accordance with resolution number 31/2003 of the Company's Board of Directors, it was decided that the Company shall not be liable to rectify any damages in the event the State decides to discontinue the operation and cause the relocation of the above companies from the above areas. Such companies undertake to use all sites appropriately, to restore any damage or wear and to take all necessary measures for the safe transit of floating vessels and the avoidance of damage to the environment. The Company reserves the right to use any of the above areas without being required to pay any compensation to the said entities. Any works on the Company's property must be approved by the Company in advance.

Concession of Areas to Private Businesses

The Company exploits a series of areas and facilities within its competence. Specifically, the Company leases such areas (outdoors and covered) to private parties for the operation of ship repair facilities (at the Perama Ship Repair Zone and at Kynosoura), various industrial plants, as well as canteens. In addition, the Company leases the Exhibition Center on the Xaveri coast for the hosting of trade fairs, while it also operates an outdoors parking at the Exhibition Center area and an underground parking on Tselepi coast.

The following table presents in brief the Company's entire activity.

PORT OF PIRAEUS AREA CARGO TRAFFIC (IN METRIC TONS ¹)									
	1998	1999	2000	2001	2002	1998 -19 99	1999-2000	2000-2001	2001-2002
	Total	Total	Total	Total	Total	(%)	(%)	(%)	(%)
TOTAL WEIGHT	12,988,386	13,899,454	15,628,523	16,318,143	18,424,180	7.0%	12.4%	4.4%	12.9%
A. INTERNATIONAL CARGO	9,697,267	10,302,270	11,759,622	12,595,638	14,404,757	6.2%	14.1%	7.1%	14.4%
1. GENERAL CARGO	8,802,800	9,402,081	11,343,172	11,976,044	13,990,955	6.8%	20.6%	5.6%	16.8%
1a. Containers	8,174,065	8,683,227	10,574,946	11,282,609	13,287,353	6.2%	21.8%	6.7%	17.8%
20' – foot	5,000,227	5,203,390	6,122,321	6,617,423	7,865,845	4.1%	17.7%	8.1%	18.9%
40' – foot	3,173,838	3,479,837	4,452,625	4,665,186	5,421,508	9.6%	28.0%	4.8%	16.2%
1b. Ro – Ro	371,688	477,015	545,253	501,041	519,734	28.3%	14.3%	-8.1%	3.7%
1c. Other General Cargo	257,047	241,839	222,973	192,394	183,868	-5.9%	-7.8%	-13.7%	-4.4%
2. BULK CARGO	894,467	900,189	416,450	619,594	413,802	0.6%	-53.7%	48.8%	-33.2%
2a. Liquid Cargo	99,176	55,248	44,376	23,437	32,469	-44.3%	-19.7%	-47.2%	38.5%
2b. Dry Cargo	795,291	844,941	372,074	596,157	381,133	6.2%	-56.0%	60.2%	-36.0%
B. DOMESTIC CARGO	3,291,119	3,597,184	3,868,901	3,722,505	4,019,423	9.3%	7.6%	-3.8%	8%
1. GENERAL CARGO									
1a. Other General Cargo	2,501,433	2,639,888	2,802,905	3,146,000	3,257,663	5.5%	6.2%	12.2%	3.5%
2. BULK CARGO	789,686	957,296	1,065,996	576,505	761,760	21.2%	11.4%	-45.9%	32.1%
2a. Liquid Cargo	0	0	0	0	0	-	-		
2b. Dry Cargo	789,686	957,296	1,065,996	576,505	761,760	21.2%	11.4%	-45.9%	32.1%

⁽¹⁾ 1 Metric ton = 1,000 kilos

PORT OF PIRAEUS AREA CARGO TRAFFIC (IN METRIC TONS ¹)										
	1998		1999		2000		2001		2002	
	Unloading	Loading	Unloading	Loading	Unloading	Loading	Unloading	Loading	Unloading	Loading
TOTAL WEIGHT	8,246,706	4,741,680	8,731,057	5,168,397	9,574,164	6,054,359	9,381,084	6,937,059	10,809,582	7,614,598
A. INTERNATIONAL CARGO	6,354,865	3,342,402	6,603,633	3,698,637	7,237,408	4,522,214	7,385,882	5,209,756	8,728,911	5,675,846
1. GENERAL CARGO	5,579,354	3,223,446	5,891,445	3,510,636	6,896,436	4,446,736	6,931,041	5,045,003	8,322,945	5,668,010
1a. Containers	5,010,598	3,163,467	5,295,422	3,387,805	6,233,209	4,341,737	6,328,335	4,954,274	7,725,619	5,561,734
20' – foot	2,928,817	2,071,410	3,112,993	2,090,397	3,547,668	2,573,653	3,663,618	2,953,805	4,472,648	3,393,197
40' – foot	2,081,781	1,092,057	2,182,429	1,297,408	2,685,541	1,767,084	2,664,717	2,000,469	3,252,971	2,168,537
1b. Ro – Ro	322,448	49,240	406,060	70,955	455,153	90,100	422,565	78,476	424,232	95,502
1c. Other General Cargo	246,308	10,739	189,963	51,876	208,074	14,899	180,141	12,253	173,094	10,774
2. BULK CARGO	775,511	118,956	712,188	188,001	340,972	75,478	454,841	164,753	405,966	7,836
2a. Liquid Cargo	99,176	0	53,025	2,223	40,202	4,174	23,437	0	31,483	986
2b. Dry Cargo	676,335	118,956	659,163	185,778	300,770	71,304	431,404	164,753	374,483	6,850
B. DOMESTIC CARGO	1,891,841	1,399,278	2,127,424	1,469,760	2,336,756	1,532,145	1,995,202	1,727,303	2,080,671	1,938,752
1. GENERAL CARGO										
1a. Other General Cargo	1,116,478	1,384,955	1,183,118	1,456,770	1,273,582	1,529,323	1,418,697	1,727,303	1,457,013	1,800,650
2. BULK CARGO	775,363	14,323	944,306	12,990	1,063,174	2,822	576,505	0	623,658	138,102
2b. Dry Cargo	775,363	14,323	944,306	12,990	1,063,174	2,822	576,505	0	623,658	138,102

⁽¹⁾ 1 Metric ton = 1,000 kilos

Source: Company data

7.5 Procurement Regulations

The Law Firm that performed the independent legal due diligence on the Company reports that: *«In accordance with Presidential Decree 93/89 «Organization of Services of the PPA», the PPA operates a Procurement Directorate, which is competent, among others, for the planning of procurement of all necessary equipment, the drafting of requests for proposals and the administration of respective tenders. PPA S.A. adheres to legislation governing procurement and the conclusion of procurement, works and services contracts, as prescribed by Presidential Decrees 394/1996, 346/1998, 18/2000, 57/2000, Laws 2286/1995, 2362/1995, 2741/1999 and Directives 92/50/1992 and 93/38/1993 of the Council of the European Communities.»*

In connection with Procurement Contracts, the legal auditor notes that: *«..... procurement contracts both prior to and following the transformation of the Company into a corporation, are governed by the same provisions on public procurement contracts, in accordance with article 1, par. 1 of Law 2286/1995 «Public Sector Procurement, etc.,»*

In addition, Presidential Decree 57/2000 has entered into force as of 2.3.2000, which relates to the transposition into Greek Law of provisions of Community law on the conclusion of works, procurement and services contracts, more specifically those of Council Directive 93/38/EEC, dated June 14, 1993, for the coordination of procedures applicable to the conclusion of contracts in the sectors of water, power, transport and telecommunications, which specifically refers to PPA S.A. as an awarding authority. The said Presidential Decree applies to procurement contracts of a value of at least equal to ECU 400,000. Lower value contracts continue to be governed by the provisions of Law 2286/1995.

We note the fact that Article 8, par. 2 of Law 2741/28.9.1999, as amended by Article 19, par. 7 of Presidential Decree 774/1980 re the Organization of the Audit Council imposes the mandatory scrutiny by the Audit Council, upon penalty of nullity, of the legality of each procurement contract of state undertakings, with an anticipated budgeted cost in excess of Euro 1.5 million.”.

On the basis of a letter by the Company, dated 13.05.2003, there exist no procurement contracts or contracts for works that have not been approved by the Audit Council in accordance with the provisions of Article 8, par. 2 of Law 2741/1999.

7.6 Tariff Policy

In accordance with paragraph 2 of article 12 of the Company's Articles of Incorporation, forming part of the third article of Law 2688/1999 (Government Gazette 40, 1/3/1999), as in force, as well as with the Concession Agreement entered into between the Company and the Greek State on February 13, 2002, the approval of tariffs for the provision by the Company of services is a matter for the Company's Board of Directors. Increases of tariffs for services provided may take place once annually and are to be notified to the Minister of Merchant Marine, in the form each time applicable.

The basis of the Company's tariff policy is to implement attractive tariffs, in comparison to other competitive Mediterranean ports, with a view to attracting customers. PPA S.A. notes the gradual intensification of competition with other Mediterranean ports and focuses its tariff policy on the following, with a view to achieving balanced growth of its business units:

- Attracting container freight in transit, with respect to which the Company applies competitive tariffs for container stevedoring and storage and concludes contracts with companies or joint ventures to which it extends special service levels, facilities and tariffs, subject to attainment of determined annual container traffic targets.

- Attracting vehicles in transit, through the application of competitive tariffs for customers trafficking large numbers of vehicles through the Port (the Company offers a sliding scale discount ranging from 35% to 60%) .
- Rationalizing tariffs applicable to the passenger Port, with a view to:
 - a. implementing applicable Community Directives
 - b. ensuring return of services provided in connection to requisite investments
 - c. achieving competitiveness
 - d. increasing profitability
- Enhancing operation of the Ship Repair Zone by simplifying tariffs and providing incentives for large-scale repairs and the removal of ships out of operation.
- Enhancing the level of service and the quality of infrastructure.

The importance given to setting tariffs is part of the effort of full exploitation of the infrastructure available to PPA S.A., which includes piers with high-depth breakwater walls, sufficient outdoors and covered warehousing facilities, docks available for ship repairs (2 dry docks and 2 floating docks), equipment which includes 14 gantry cranes, harbor cranes, floating cranes, straddle carriers, etc. capable of loading and unloading any type of cargo.

7.7 Contracts for Works

The award of works by the Company during the period of its operation as a legal entity of public law was subject to general provisions on public works, contained in Law 1418/1984 and Presidential Decree (P.D.) 609/85. In accordance with the said provisions, the award of works is effected following a tender procedure (open or restricted, i.e., following pre-qualification), with the exception of limited cases where informal or verbal bidding or direct awarding is allowed. Direct award to a specified contractor is specifically allowed either for works of a value of less than Euro 4,402 or in the exceptional cases referred to by Article 4 par. 1 of Law 1418/1984, i.e., indicatively, material imminent danger, uniqueness of the contractor, special nature works, etc. Lastly, the above provisions allow increases to the quantities of works initially agreed, up to the level of disbursement of 50% of the aggregate initial budget. Excesses of the initial contractual amount by more than 50% are prohibited. In addition to the above, P.D. 320/1987 specified the bodies competent for resolving or opining on matters of works awarded by the PPA.

Despite its transformation into a corporation, PPA S.A. continues to be governed by the same above status, in accordance with:

- i) the second article, par. 1(a) of Law 2688/1999 establishing PPA S.A., which provides that Compulsory Law 1559/1950 applies by analogy to PPA S.A., with the exception of matters specifically regulated otherwise by Law 2688/1999; and
- ii) article 2 par. 1 of Law 1418/1984, in accordance with which Law 1418/1984 applies in relation to all works scheduled and effected by the bodies enumerated in par. 1 of article 14 of Law 2190/1994, including legal entities of private law owned by the State or in which the State owns shares representing more than 51% of their share capital.

In addition, Presidential Decree 57/2000 has entered into force as of 2.3.2000, which relates to the transposition into Greek Law of provisions of Community law on the conclusion of works, procurement and services contracts, more specifically those of Council Directive 93/38/EEC, dated June 14, 1993, for the coordination of procedures applicable to the conclusion of contracts in the sectors of water, power, transport and telecommunications, which specifically refers to PPA S.A. as an awarding authority. The said Presidential Decree applies to contracts for works of a value of at least equal to ECU 5,000,000. Lower value contracts continue to be governed by the provisions of Law 1418/1998.

In addition to the above the provisions of paragraph 4 of article 10 of Law 679/1977, as well as the provisions of paras. 3 and 4 of the second article of Law 2688/1999 apply to PPA S.A., which provide the following: a) that the design and performance of works within the area of the Port of Piraeus is approved by the Company's Board of Directors, with the exception of national scale works, which require in addition (and prior to commencement of works), approval of the respective Board of Directors resolution by the Minister of Planning, Environment and Public Works, who supervises the Company in relation to works, as per Royal Decree 27/1969 and Presidential Decree 320/1987; and b) that port works as defined in article 14 of Compulsory Law 2344/1940, as well as silting works to the direction of the sea for purposes of facilitating passenger and cargo traffic within the Port of Piraeus are effected on the basis of a permit issued by the Minister of Finance, following an opinion of the Navy General Staff, by way of derogation from the provisions of Article 9 of the said Compulsory Law. This provision restates by analogy the provision of article 12 of Compulsory Law 2344/40.

Lastly, in accordance with the Company's Articles of Incorporation, contained in the third article of Law 2688/1999, the Managing Director may award contracts of a value up to the amount each time designated by a resolution of the Company's Board of Directors. By way of resolution number 59/29.2.2000 of the Board of Directors, the powers were delegated to the Managing Director to award design, works, construction and service contracts of a value up to € 58,694.

It is noted that article 8 par. 2 of Law 2741/28.09.1999 as amended by article 19, par. 7 of P.D. 774/1980 re the Organization of the Audit Council imposes the mandatory scrutiny by the Audit Council, upon penalty of nullity, of the legality of each contract of works awarded by state undertakings, with an anticipated budgeted cost in excess of Euro 2.9 million.

In accordance with the Law Firm which conducted the independent due diligence of the Company, all contracts for works have been awarded in accordance with procedures stipulated by applicable laws and respective requests for proposals and contracts have been reviewed by the Company's legal department.

The following contracts for works are noted in an indicative manner:

- Contract number 68/2002 between the Company and the company under the trade name "KLEARCHOS ROUTSIS S.A." for the performance of additional works in relation to the project of rebuilding and converting the central port to a dedicated passenger port (land works of Vasileiadis coast area – Palataki). This award was further to contract number 135/6.11.2000 between the same parties and with the same subject-matter, following the identification of the necessity to perform additional works and continue initially awarded works (resolution number 155/15.7.2002 of the Company's Board of Directors). The aggregate consideration payable to the contractor has been agreed at Euro 2,805,000. The contractor delivered to the Company several performance bonds issued by EFG EUROBANK ERGASIAS, for an aggregate amount equal to 5% of the total budgeted cost.

- Contract number 68/2002 between the Company and the company under the trade name "AEGEK S.A." for the performance of additional works in relation to the project of rebuilding and converting the central port to a dedicated passenger port (port works of Palataki area). This award was further to contract number 1941/22.12.1999 between the same parties and with the same subject-matter, following the identification of the necessity to perform additional works and continue initially awarded works (resolution number 155/15.7.2002 of the Company's Board of Directors). The aggregate consideration payable to the contractor has been agreed at Euro 2,134,222.31. The contractor delivered to the Company several performance bonds issued by NATIONAL BANK OF GREECE, for an aggregate amount equal to 5% of the total budgeted cost. In furtherance of this contract, an extension contract under number 177/2002 was executed between the Company and the company under the trade name "AEGEK S.A.". The extension relates to the performance of additional, complementary works for the project of "Remodelling – transformation of the Piraeus Central Port to a dedicated passenger port, port works of Palataki area, Phase B" and is an addendum to additional contract number 69/05.08/2002 between the

same parties, also based on main contract no. 1941/22.12.1999. The performance of additional works and, consequently, the entry into this additional contract, was decided on the basis of resolution number 307/16.12.2002 of the Company's Board of Directors, following the submission of recommendation no. 1995/09.12.2002 of the Works Directorate. In particular, this addendum relates to performance of additional works in connection with the above project, as well as the approval of the 4th Consolidated Table and the 4th Protocol for the determination of unit prices for new works. The aggregate amount of this additional contract is € 2,008,453.11, plus VAT and leads to an increase of the amount of the initial contract by 45.24%. The term through completion expires on 27.05.2003. As security for the good performance of the additional contract, the contractor has submitted performance bonds nos. 101510/30.12.2002 and 001/22346/27.12.2002, issued by Commercial Bank S.A. and General Bank S.A., respectively, of an aggregate amount of € 100,424. The contract further notes that, following the completion of the administrative procedure prescribed by Law 3021/2002, the National Radio and Television Council issued certificate of compliance number 10461/23.12.2002.

- Contract number 93/2002 between the Company and the company under the trade name "EUCLEIDES Technical S.A." for the construction of port works in extension of the car handling facilities. Prior to the award of the contract, a public tender was conducted on the basis of the open procedure and selection on the lowest bidding price. The notice of the tender was published in the EU Official Journal, issue number 2001/S73/05271. The contract was awarded by virtue of decision number 134/17.6.2002 of the Company's Board of Directors. The term of the contract was set at 16 months and the consideration at € 5,055,326.53. As security for the good performance of its obligations, the contractor submitted performance bonds nos. 110/992076-5/04.10.2002 and 110/D20176/24735/07.10.2002 issued by Alpha Bank S.A.. of an aggregate amount of € 470,000.

- Contract number 99/07.11.2002 for the design, construction, financing and concession of operation of the underground car parking in the area in front of the Company's Exhibition Hall, between the Company and the joint venture under the name "Joint Venture J&P – AVAX S.A. - KI. ROUTSIS S.A. for the design, construction, financing and concession of operation of the underground car parking in the area in front of PPA S.A.'s Exhibition Hall". The contract was awarded following an international public tender, on the basis of the open procedure, which was in compliance with publicity requirements prescribed by law (EU Official Journal fax protocol number 10729/916/19.06.2001). The tender took place on 19.09.2001, in accordance with Law 1418/1984, as amended and in force. The contract was awarded by virtue of resolution number 69/15.04.2002 of the Company's Board of Directors, which was ratified by virtue of Decision no. D4/1776/F.14/L/D4/1694, D4/1193/12.07.2002 of the Ministry of the Environment, Planning and Public Works. The total contract value is € 14,380,044. On the basis of this contract, the joint venture has undertaken to finance fully and construct the project and to ensure its full and diligent maintenance throughout the concession period and for a period of one year thereafter. In consideration, the joint venture has been granted the right to operate and exploit the project for a period of thirty (30) consecutive years as of the date of execution of the contract. The joint venture is entitled to a contractual consideration of up to € 4,108.6 per parking spot. The construction period has been agreed at 28 months as of the execution of the agreement. The contract specifies the order of priority of documents related to the tender (contract, request for proposal, financial offer and business plan, etc.) and includes provisions on any potential archeological finds on the construction site. The Company reserves the right to terminate unilaterally the contract for cause, if during the term of operation it is demonstrated that the rate of return of the joint venture's equity capital materially exceeds the rate quoted in its financial offer. In addition, it is set forth that each member of the joint venture is jointly and severally liable to the Company with each other member of the joint venture for the full construction of the project, its subsequent operation and the satisfaction of all performance due to the Company on the basis of the contract. As security for the good performance of the joint venture's obligations under the contract, the latter submitted to the Company performance bonds under nos. 110/453558-8/11.10.2002 and 101390/0043/09.10.2002, issued by National Bank of Greece S.A. and Commercial Bank of Greece S.A., respectively, of an aggregate amount of € 719,002.20, while it has been agreed that, at the time of acceptance, the joint venture shall submit performance bonds of the same amount as security for the good

performance of its operation and maintenance obligations. The joint venture has further undertaken to deliver to the Company in original the insurance policies related to the construction of the project. Lastly, the contract specifies that its terms have been audited by Annex E' of the Audit Council, which determined, on the basis of its minutes no. 166/13.08.2002 that the findings of the audit were satisfactory, while certificate no. 7173/03.10.2002 of the National Radio and Television Council is attached to the contract, which verifies that the administrative procedure provided for by Law 3021/2002 has been followed.

- Contract number 135/6.11.2000 between the Company and the company under the trade name «KLEARCHOS ROUTSIS S.A.», concluded following a public tender conducted in September 30, 1999, by sealed offers and on the basis of lowest bidding price, for the project of rebuilding and converting the central port to a dedicated passenger port (land works of Palataki and Vassileiadis Coast areas), for a consideration of Euro 7.9 million. The work is in progress and until December 31, 2001, the Company had disbursed fees of Euro 3.7 million. The work is scheduled for completion by the end of 2003.

- Contract number 1915/22.10.1999 between PPA S.A. and the company under the trade name «EDRASSI – H. PSALLIDAS S.A.», which was entered into upon a direct award, in connection with the performance of the work styled “Repair of Damages to Port Works – Eleftherios Venizelos Container Terminal”, against a consideration of € 975,789. Subsequently, the same contracting parties entered into supplementary contract number 129/3.10.2000, also by direct award, following the overrun of the contractual timetable, by reason of changes to quantities of various unit items of the contractor’s performance and the need for urgent additional works not provided for in the initial agreement. The consideration payable on the basis of the supplementary agreement is € 975,789 and is in addition to the consideration of the original agreement (€ 975,789).

7.8 Contracts for Services

Contracts for services are governed by Presidential Decree 57/2000, which entered into force as of 2.3.2000 and relates to the transposition into Greek Law of provisions of Community law on the conclusion of works, procurement and services contracts, more specifically those of Council Directive 93/38/EEC, dated June 14, 1993, for the coordination of procedures applicable to the conclusion of contracts in the sectors of water, power, transport and telecommunications, which specifically refers to PPA S.A. as an awarding authority. The said Presidential Decree applies to contracts for services of a value of at least equal to ECU 400,000.

We note the fact that Article 8, par. 2 of Law 2741/28.9.1999, as amended by Article 19, par. 7 of Presidential Decree 774/1980 re the Organization of the Audit Council imposes the mandatory scrutiny by the Audit Council, upon penalty of nullity, of the legality of each service contract of state undertakings, with an anticipated budgeted cost in excess of Euro 1.5 million. Based on the legal auditor, the Company did not report the entry into any service contract for a value in excess of Euro 1.5 million, following the enactment of Law 2741/1998.

Certain contracts for services are described below in an indicative manner:

- Contract number 1911/14.10.99 between the Company and the joint venture of the companies under the trade names «LOBBE TZILALIS S.A.» and «CLEANING CARE S.A.», which was concluded following a tender through the restricted procedure, by sealed offers and on the basis of the criterion of the most favorable financial offer, for the provision of cleaning, fumigation, pesticide, deratisation and disinfection services for covered and outdoors areas of the port, as well as for the delivery, transport and disposal of all types of waste. The agreed contractual consideration is Euro 2.4 million, plus VAT. The contract has a three-year term. The contract has been extended until 11.10.2003.

- Contract number 1922/22.10.99 between the Company and the company under the trade name «LOBBE TZILALIS S.A.», which was concluded following a tender through the restricted procedure, by sealed offers and on the basis of the criterion of the most favorable financial offer, for the provision of services of disposal of all solid waste collected by the Company (at locations designated by the Company) and transport to designated areas of sanitary disposal, including de-barnacled residues of the Company's dry and floating docks, for a consideration of Euro 755,393, plus VAT. The contract has a three-year term, which has been renewed until 11.10.2003.
- Contract number 1924/1.11.99 between the Company and the company under the trade name «ENVIRONMENT PROTECTION TECHNICAL S.A.», which was concluded following a tender through the restricted procedure, by sealed offers and on the basis of the criterion of the most favorable financial offer, for the provision of cleaning services for sea areas of PPA, for a consideration of Euro 579,604, plus VAT. The contract had an initial three-year term, which has been extended until 30.09.2002.
- Contract number 16/18.02.2000 between the Company and the company under the trade name «ANTIRRYPANTIKI L.L.C.», which was concluded following a tender through the restricted procedure, by sealed offers and on the basis of the criterion of the most favorable financial offer. The tender was conducted on 2/8/1999, for the purpose of exclusive award of services relating to the recovery of solid waste, including ship wastes, solid oil residues, ship repair by-products, sandblasting and pigment-blasting by-products, rust scraping and other solid wastes of ships and vessels approaching the area of competence of the Company, as well as the sorting by category, for a consideration to be calculated at unit prices incorporated in the contract. The initial term of the contract was for two years and has been extended until 31.12.2004.
- Contract number 104/4.08.2000 between the Company and the company under the trade name «HELLENIC SLOPS S.A.» and, as party of the third part, the company under the trade name «OIL PRODUCT RECYCLING CENTER S.A.», for the provision of recovery of ship liquid residues, including wastes and hazardous substances, their sorting and final disposal, on the responsibility and at the cost of the latter. The consideration for the provision of contractual services has been agreed on a per-unit basis, as more specifically set forth in the contract. The term of the contract has been extended until 31.12.2004.

In connection with other contracts for works, it is noted that a great number of additional contracts exist, which relate to works to be executed by various contractors; the nature of such works remains to be definitively determined within 2003, since such works relate to the 2004 Olympic Games and other projects for the remodelling and extension of the Port.

7.9 Co-operation – Joint Venture Arrangements

1. The Memorandum of Understanding and Cooperation, dated August 21, 2001, executed among the Company, the Greek State (represented by the Minister of Merchant Marine for issues under his competence) and the company under the trade name «ATHENS 2004 OLYMPICS ORGANIZING COMMITTEE S.A.» («ATHENS 2004»), in conjunction with a resolution dated June 1, 2001, of the Company's Board of Directors, whereby the Chairman of the Board was authorized to execute a definitive agreement in furtherance of the Memorandum and the Business and Cooperation Plan among PPA S.A., the Ministry of Merchant Marine and ATHENS 2004 was approved (under the title «Preparation of the Port of Piraeus for the 2004 Olympic Games»); on the basis of the above, an agreement was executed for the «Implementation of Action related to the Olympic Games», whereby PPA S.A. undertook to implement a business plan drawn up collectively by the parties involved, which addresses the programs, services and tasks of each party (the Ministry, the Company and the ATHENS 2004 organizing committee) for the period 2001-2004, which are required for or relevant to the conduct of the Olympic Games. In brief, the Business Plan provides the following:

- Introduction — the Ship-Hotel: the strategic role of ports during the Olympic Games.
- Responsibilities of the Ministry and ATHENS 2004.
- Responsibilities of PPA S.A. and ATHENS 2004.
- Allocation of responsibilities.

The main obligations of PPA S.A. consist in the planning of harboring, the traffic of ships, the concession of berths for the hosting of visitors during the term of the year 2004 Olympic Games, as well as the provision of other areas which are required for that purpose (storage, stationing of means of transport, first aid stations, control centers, etc.). In addition, PPA S.A. undertook the provision of certain ancillary services for the purpose of facilitating guests and moored ships during the above period.

The charges for harboring, mooring and land service charges, as well as for the use of other areas and the provision of other services in connection with the above have been determined by way of resolution number 11/22.1.2002 of the Company's Board of Directors. In relation to other identified services, it was agreed that the Company's then effective tariffs for the respective services shall apply.

In addition, the agreement provides for the cooperation and assistance of the Company for the implementation of security measures during the limited period covered, as well as for the provision of customary services to guests.

The Company has further agreed on the performance of works for the upgrade of port areas, as well as for the enhancement of quality of service. The respective cost shall be borne by the State and the Company, in relation to works which result in permanent enhancements (for which the ATHENS 2004 organizing committee shall provide assistance through its Project Management Team), while the ATHENS 2004 organizing committee shall bear the cost of works of a temporary nature, intended specifically to address the requirements of the Olympic Games.

PPA S.A. has undertaken the cost for the following works:

1. Renovation/improvement of berth clamps and bumpers.
2. Procurement of a vehicle designed specifically for transport of handicapped persons.
3. Procurement of baggage conveyor belts.
4. Procurement of at least two (2) wheelchairs per gate/entrance.
5. Marking of utility supplies and construction of triangular bases for water pipes.

By way of the same agreement, the parties thereto assumed the obligation, following the execution of an agreement between ATHENS 2004 and the International Paralympics Committee, in relation to the hosting of the 2004 Paralympics in Athens, to agree to the necessary amendments to the contract and the Business Plan, taking sufficient care to satisfy the objectives of the contract in view of the special requirements of the Paralympics.

The contract was executed on September 25, 2001 and may be terminated upon the implementation of its terms, in each case not earlier than December 31, 2004.

2. The agreement dated December 20, 1999 for the establishment of a joint venture among PPA S.A., the Hellenic Association of Coastal Navigation Marine Agents, and the shipping companies "MINOAN LINES S.A.", "STRINTZIS LINES MARITIME S.A.", "LESVOS MARITIME COMPANY", "SIRENE CLUB S.A.", "DANE SEA LINES S.A.", "ANEK S.A." and "MINOAN FLYING DOLPHINS S.A.», whereby a joint venture was established under the trade name of «HELLENIC COASTAL NAVIGATION 2000», with registered offices in Piraeus and specifically within the Company's management building (10, Miaouli Coast), with the object of implementing a pilot application of passenger registration, in accordance with Decision number 42245/DEFE 3189/3.12.1999 of the Minister of National Economy. It was provided that the joint venture would have an initial term expiring on December 31, 2000, while such term was extended until June 30, 2002, by virtue of a resolution of its members.

The capital of the joint venture is equal to Euro 1,321 and was contributed in equal shares of Euro 147 in cash by each of the parties. The agreement provided for the sharing of costs associated with the implementation of the pilot program, of an aggregate amount of Euro 1.2 million, plus VAT, by 38% by the Company, 14.3% by the Hellenic Association of Coastal Navigation Marine Agents and 47.7% pro rata by the Hellenic Association of Coastal Navigation Marine Agents and other members of the joint venture (other than the Company). The agreement specifies the expenses to which the contribution of each party relates and provides that, upon the termination of the joint venture, items of equipment and infrastructure created in the course of the life of the project will be distributed to PPA S.A., the Ministry of Merchant Marine, other Port Funds and members of the joint venture, as the case may be, depending on the nature of items of infrastructure financed by each respective party.

The implementation of the pilot passenger registration system was completed successfully under live conditions since the beginning of July 2001.

In accordance with a letter by the Company dated 22.05.2003, the said joint venture is currently in voluntary liquidation.

7.10 Contracts with Important Customers

The procedures applicable to the provision and charging of services offered by PPA S.A. is uniform, with the exception of cases where contracts have been executed (article 1, par. 4 of the Stevedoring and Transport Regulations and Tariffs – STRT), when a derogation from the provisions of the STRT may be justified. In order to qualify for priority service, the customer must have been bound to effect a minimum number of 60,000 transit shifts per annum (article 3, par. 5 of the STRT), while application of special tariffs is only possible following a commitment to effect a minimum number of 40,000 transit shifts per annum (indent c' of footnote 8 of tariff number 5 of article 13 of the STRT).

On the basis of the provisions of Law 2688/1999 and article 21 of the Concession Agreement, the Company's Board of Directors is competent for authorizing the entry into agreements, as well as the discretion for revising tariffs.

Based on the findings of the Law Firm that conducted the legal due diligence on the Company, the key agreements between the Company and major customers are the following:

1. Contract number 1889/20.08.1999 between the Company and the company under the trade name «MEDITERRANEAN SHIPPING COMPANY S.A.» (MSC), concluded in furtherance of resolution number 117/3.08.1999 of the Company's Board of Directors, which makes a specific reference to the provisions of the Company's STRT enabling the entry into contracts with maritime companies or joint ventures of maritime companies, whereby special service privileges, facilities and special tariffs may be agreed, by way of derogation from the corresponding provisions of the Company's regulations. The above contract replaced contract number 1716/28.11.1997, which had a two-year term and was considered as satisfactory.

On the basis of the above contract, MSC undertakes to traffic through the Port of Piraeus cargo in transit corresponding to a minimum of 200,000 shifts per annum (or 100,000 shifts in relation to the application of article 6 of the STRT). The contract includes a definition of "cargo in transit", as well as a description of shifts that count towards calculation of the agreed minimum number. The contract had a five-year term, expiring on August 30, 2004.

2. Contract number 71/2001 replaced and superseded, prior to its terminal date, the previous contract with MSC. The replacement of the contract was deemed necessary in view of MSC's increased requirements, as well as in view of the Company's increased ability to attract through its capacity container cargo on a larger scale. The contract has a ten-year term, commencing upon its execution and expiring on August 21, 2011.

On the basis of the above contract, MSC has undertaken the obligation to traffic through the Port of Piraeus cargo in transit corresponding to a minimum of 300,000 shifts per annum (or 100,000 shifts in relation to the application of article 6, par. 3 of the STRT). The contract includes definitions of what constitutes cargo “in transit”, as well as a description of shifts that count towards calculation of the agreed minimum number.

The following grounds for termination and respective consequences of termination are stipulated in the contract between PPA S.A. and MSC S.A.:

a) The change of PPA S.A.’s current exclusive status, including especially the acquisition by third parties of rights of exploitation or joint exploitation with PPA S.A. of port infrastructure within the current area of the latter’s jurisdiction, as well as the provision by PPA S.A. or third parties of services equivalent to those contemplated under the contract constitutes an event justifying termination of the contract by MSC, without any obligation to indemnify PPA S.A..

b) The change of the shareholding or management control of either contracting party, as well as the assignment of rights or obligations thereunder to any third party, in whole or in part, without the other party’s consent, constitutes an event justifying termination, without any liability of the terminating party. Change of shareholding control is defined as the acquisition of shares representing more than 50% of the share capital or of the voting rights by third parties. Change of management control is defined as the exercise of the management of either party by shareholders not having the majority of voting shares. It is expressly provided that the offering of shares in PPA S.A. to the public in connection with admission to a stock exchange does not constitute an assignment of rights to third parties, provided that the State shall retain shareholding and management control of PPA S.A.

c) MSC is entitled to terminate the agreement, without incurring any liability, in the event that PPA S.A. fails to comply with its obligation to treat MSC as most favoured party, in accordance with section 3.4 of the contract. The above section provides that, if PPA S.A. or any third party offers, within the area of the Port of Piraeus, services which are comparable to those currently offered by PPA S.A., at tariffs lower than those imposed by PPA S.A. at the container terminal, then PPA S.A. shall immediately adjust its container terminal tariffs for services to MSC at such most favorable levels.

d) PPA S.A. may terminate the contract, without incurring any liability and subject to any rights to seek rectification of any damage incurred by it, in the event that MSC fails to honor the terms for trafficking and stevedoring of cargo, as stipulated in the respective regulations (STRT) and the contract, as well as in the event that MSC’s minimum shifts of cargo in transit per annum decline below 150,000. The above events constitute just cause for the termination of the contract.

e) MSC may terminate the contract, without incurring any liability and subject to any rights to seek rectification of any damage incurred by it, in the event that PPA S.A. repeatedly fails to comply with the stevedoring services efficiency standards prescribed by section 5 of the contract, including especially cases where MSC has made a reasonable request for reduction under section 6 of the contract, in relation to more than 8 ships within any 60-day period. In accordance with the said section, in case of failure by PPA S.A. to effect the agreed minimum number of shifts, as well as in the case of delayed berthing, the Company agrees to provide MSC with a reduction of Euro 476 per hour of delay of “mother” ships and a reduction of Euro 286 per hour for “feeder” ships. The above reduction may in no event exceed 10% of the product of the aggregate number of shifts of each approach “in transit” times the tariff applicable to MSC’s containers in transit.

f) In the event of abusive termination, for any reason not qualifying as “just cause” under the contract (which provides a specific list of such events), the terminating party must pay the other party an indemnity of Euro 1,000,000, which shall exhaust the liability of the terminating party.

3. Contract number 59/2002 between PPA S.A. and the company under the trade name “Mediterranean Shipping Company SA” (MSC SA). This contract replaces and supersedes contract number 71/2001 and previous agreements, due to the further increase of traffic of in transit container cargo of MSC, as well as to the increased capacity of PPA S.A. This contract provides the following:

PPA S.A. undertakes to handle cargo entrusted to it by MSC. MSC undertakes to traffic, through the Neo Ikonio container terminal, in transit cargo equivalent to a minimum of 400,000 shifts per annum; this minimum number shall increase to the equivalent of 500,000 shifts per annum as of October 1, 2002, subject to the provisions of the contract. This contract has a ten-year term as of its execution.

7.11 Sales and Distribution Network – Promotional Activities

The Company promotes its sales through the following means:

1. By way of direct contacts and negotiations of the Company’s management and its authorized officers with customer representatives.
2. Through all means of modern marketing (market surveys, capitalizing on advantages offered by rationalized tariff policy, full automation of the Company’s operation, etc.).
3. Through members of the International Maritime Organization and individual maritime agents that represent Greek and foreign maritime companies and act on behalf of third parties (industries, steel industries, cereal trading companies, new vehicle import and forwarding companies, general trading companies, etc.).

The Company implements the following, supplementary action:

- Utilization of internet capabilities, through the creation of a complete website, which appropriately presents the services and facilities offered by the Port to its users.
- Advertising publications and interviews of the Company’s members of management in specialized and prestige Greek and foreign publications, as well as in other means of mass communication, aiming at the best possible promotion of the Company’s corporate image. Specifically, the Company is regularly featured in publications and interviews in the foremost international publications, including Lloyds’ List, Containerisation International, Lloyds Ship Management, Lloyds Cruise International, DVZeitung, Ports of the World, Le Monde.
- PPA S.A. quality editions and productions, including the production of a video presenting the Port’s activities, CD-ROMs distributed to users, potential customers and foreign state authorities (Embassies, consular port authorities, academic institutions, etc.).
- Participation in trade fairs and international forums. Specifically, the Company participates in the “Posidoneia” and Genoa trade fairs, as well as in fairs organized in Miami (International Cruise Fair, March 2001, 2002, 2003), in Hong Kong, Genoa, etc.
- Participation in international port associations, including the European Society of Port Organizations (ESPO), as well as in MEDCRUISE ASSOCIATION. The Company’s involvement is intense and highly constructive, as it is not only a founding member in both organizations, but also chairs the most important transport committee of ESPO and is represented on the Board of Directors or the MEDCRUISE ASSOCIATION. In 2001 the Company became a regular member of the International Association of Ports and Harbours (IAPH), while it has been a founding member (since 2002) of the Hellenic Ports’ Association (ELIME). The Company’s participation in the above associations aims at facilitating the exchange of information among ports, the monitoring of latest developments on legal issues affecting the provision of port services, as well as on issues related to the management and operation of ports. Within the context of cooperation with other ports, the Company has signed protocols of cooperation with ports, including the ports of Rotterdam and Marseille.

In addition, the Company's management participates in various international maritime and business forums (Financial Times, Risk management, Sea-Trade, Greek-Dutch maritime forum, Greek-Norwegian maritime conference, etc.), reporting on the Port's activities and its ability to play an active role in the context of European and global transportation infrastructure.

7.12 Fixed Assets – Guarantees and Encumbrances

For the purposes of its operations, the Company uses various fixed assets, which are either owned by the Company or have been provided to it on concession, by way of the Concession Agreement, dated February 13, 2002, with the Greek State.

7.1.1 Fixed Assets on Concession by the Greek State through the Concession Agreement

i) General Description

The Port of Piraeus forms a complex of port facilities (on land and at sea) and includes the Piraeus Peninsula, the Central Port (from the Themistocles pier to the Krakaris pier), the Fertilizers area, the Abbattoir bay, the Foron bay with the port installations used by AGET Hercules S.A., the Akrokeramos area of Keratsini, the Pier of Drapetsona with the dock used for car handling (ex C1 anagement Unit), the Fishers' port, the Keratsini new pier used by the Public Power Corporation, the Pier of the Piraeus Army Command, the Fish Wharf area (Gyaladika), the Charcoal Wharf (carbon pier) and the area of the former American warehouse, Pier V of the Port of Hercules, the former ODDY area, the Keratopyrgos area, Piers I and II of the Container Terminal, the Oil and Gas Pier and the Armos area, the BP and ETEKA oil and gas facilities, the Perama repair docks, the Perama Shipbuilding and Ship Repair Zone with Piers I and II, floating docks I and II, Pier E at Perama, the Punda area of the island of Salamina, the Ambelakia coast, the Kynosoura peninsula, the islands of Atalanti, Hoirades Scrofes and Psyttaleia and the Restis area at Aspropyrgos of the prefecture of Attika. The area of the Port of Piraeus spans a range of a total length of 24 kilometers and an area of 5,000,000 square meters. Specifically, the port avails 24,300 meters of wharfs, 20 piers, administrative and technical support buildings, warehouses, sheds, special equipment and other facilities.

In accordance with the Concession Agreement, entered into with the Greek State on February 13, 2002, PPA S.A. has been granted the exclusive right to use and exploit all the terrestrial sites it currently uses. Such areas have been designated on the basis of the existing legal framework governing the port area of PPA S.A. Land areas include the road network, bridges, buttress walls, pluvial water sewage conduits, sewage, drainage and electricity networks, tarmac surfaces, as well as all types of structures and modifications of land surfaces.

In addition, the concession includes the Company's port infrastructure, which includes all existing port works which define the sea contours of the Port of Piraeus and delineate the seafront of the land zone, with its geographical allocation of specific activities. It is these activities that actually define sections of the Port as the Passenger Port, the Commercial Port and the Ship Repair Zone. Specifically, the port infrastructure includes all works for piers and jetties, wharfs, alterations to the seafront, levelling works, slit and block extensions into the direction of the sea, surfacing of open areas of docks and wharfs, i.e. all works that, when combined, form the current modern topography of the Port of Piraeus.

Lastly, as regards buildings, all existing fixed buildings and superstructure within the operating limits of the Port of Piraeus have been granted by concession; these have been constructed by PPA S.A. and are either used by the Company itself for its day-to-day operations or are leased to third parties (legal persons and individuals), against consideration payable to the Company. Buildings and superstructure

include permanent buildings of the Company, of any nature and description that lie within the area defined by the existing limits of the port land zone, until the seafront.

Specifically, the following areas have been granted by concession to PPA S.A.:

A. Central Passenger Port

Its borders are set at the Themistocles and Krakaris piers and consists of the Main Port, the Alon port and the port entrance. Its land port zone is used for the circulation, embarkation and disembarkation of vehicles and passengers, as well as for loading and unloading of vehicles and cargo.

The Central Port is divided into the following areas:

A1- Palataki

This part of the port includes the area from the Themistokles pier to the “Lion” monument; to the side of the city of Piraeus, the limits of the area are defined by the extension of the buildings of the Midshipman School and the Navy Cadet School.

This part of the port is to be used exclusively for the servicing of cruise ships and as an Olympic port, following the completion of port works currently in execution by PPA S.A.

A2- Xaveri Coast and Miaouli Coast

This part of the port, on its seafront, includes the berthing and service site of cruise ships, the PPA S.A. headquarters building and the Port Exhibition Center. To the side of the city of Piraeus, the limits of the zone are set by Miaouli Coast Street and Xaveriou Avenue. The area includes part of the flyover leading to the entrance of the PPA S.A. headquarters building. Of the road network forming part of this interchange, the sections up to the points of deviation from and confluence into the Miaouli Coast peripheral avenue (points of entry and exit, respectively) are considered as a road network for the exclusive use of PPA S.A.. This area also includes the Melina Merkouri square, before the PPA S.A. Exhibition Center, which is being developed by the Company through the construction of an underground garage, on a DBFO basis.

A3 – Tzelepi Coast - K. Constantine Pier – Saronic Gulf – Tzelepi area - Lemonadika

This area includes part of the Port of Piraeus; the length of the wharfs of this area is used for the berthing of ships serving the passenger lines to islands of the Saronic Gulf, the Cyclades, the Dodecanese, etc. Two passenger terminals have been constructed in this area, which serve the needs of passenger traffic. PPA has constructed an underground garage at the Tzelepi coast area.

A4 - Saint Denis – Hietion coast – Kastraki

This area includes the pier used for berthing of liners to and from Crete, the Silo buildings, two large warehouses, the building of the Machinery Directorate, fuel warehouses, the PPA technical shop building and the PPA S.A. Procurement and Information Technology Directorate building. The same area includes PPA S.A.’s general material warehouses, the Central Substation, the area of the two PPA S.A. dry docks used for servicing of ships, the entire area of the Hellenic Railways Organization railway station, the flyover in front of the dry docks and the internal avenue.

A5 – Kastraki - Vassileiadis Coast to Krakaris pier

The area includes the installations along the length of the Vassileiadis Coast up to the Krakaris pier and comprises the area from the outdoors storage area that was used for container handling until the creation of the container terminal until the Krakaris pier. . The area of the Vassileiadis coast has been converted, following the execution of port works, into an area for the servicing of coastal liners to the Dodecanese islands. Along the perimeter of this area runs the PPA S.A. internal ring road.

A6 – Fertilizers Area – Sfageon Bay – Phoron and Akrokeramos areas

This area includes the installations that were used by the fertilizers company, the area of Sfageon bay, which comprises the coastal shore zone, part of which has been leased to Mobil Oil for the trafficking of lubricants and the Drapetsona bay, which is used partly by AGET Hercules for the trafficking of cement products and partly for the mooring of small fishing boats. This sector includes an additional area, lying beyond the coastal shore zone, which has been designated by way of Joint Ministerial Decision, which extended the port land zone within the fertilizers area. The Athens Water and Sewerage Corporation (EYDAP) operates installations at the Akrokeramos area for the support of the Psyttaleia biological filtering plant.

B. Drapetsona Pier – Fish Wharf – Charcoal Wharf – Hercules Pier V

This section lies to the North West of the Central Port and its limits are set by the Drapetsona pier, up to Hercules VI at Keratsini; it is used both by the Company (trafficking of conventional and bulk cargo at Keratsini), as well as by other entities (Public Power Corporation, wheat mills, fish wharf users) and for ship repair purposes. The area includes a small haven used for the anchoring of small fishing boats.

B1 – Drapetsona Pier with C1 Management Pier

The Drapetsona Pier is used as a ship repair zone and the Keratsini Pier as an area for the storage of passenger vehicles. The Drapetsona Pier is currently used for the temporary stationing – storage of imported vehicles.

B2 – Keratsini – Fishers’ Port – PPC

The area of the the Public Power Corporation (PPC) pier is used for the performance of ship repair. A land section of 2,600 square meters at the PPC area has been excluded from the concession, in accordance with the concession agreement dated February 13, 2002. To the east of the Fishers’ Port, lies the tunnel linking the PPA S.A. internal road network with the fish wharf, of a length of approximately 800 meters.

B3 – Military Pier– Fish Wharf – Charcoal Wharf

The area includes the pier of the military base and, to the south of the pier, the cereal silo suction facilities of the Saint George Mills, the Fish Wharf pier with the fresh fisheries transit building, the fisheries freezer building and the offices of “ETANAL”, the company that manages the Fish Wharf, the “Gyaladika” area (under expropriation, for the extension of the PPA internal road network), the Charcoal Wharf and the buildings hosting PPA certain offices.

B4 – Keratsini - ODDY – Hercules Pier V

This area includes the land area of ODDY (the State Material Management Organization), the Saint George flyover and the funnel of the toll and control station for trucks moving to and from the container terminal and Hercules Pier V, which is used as a storage depo for passenger vehicles. The land area of ODDY operates as an area for the loading and unloading of third-country merchandize.

C. Commercial Port– Ship Repair Zone

This area lies to the west of Keratsini Pier VI and Hercules Pier V and is used for the servicing of cargo traffic in containers, oil and gas products, for ship repair activities, as well as for the traffic of passengers and vehicles through the Perama – Salamina coastal crossing. In addition, the area is used for the support of ancillary vessels for the provision of logistics support to ships.

C1 – Saint George – Keratsini Keratopyrgos

The area is used for container storage, while flammable materials are stored at the Keratopyrgos area. The section further includes part of the road network of exclusive use to PPA S.A.

C2 – Ikonio - “Eleftherios Venizelos” Container Terminal – Fuel Pier – Armos Area

The Port of Neo Ikonio operates a modern Container Terminal (Piers I and II). The land areas are used for the traffic and storage of containers, while covered storage areas are used for container filling and emptying and for hosting a straddle carrier repair shop.

The area includes two piers supporting the activities of the Container Terminal (Eleftherios Venizelos). An independent road network has been created to service vehicle traffic in the area.

C3 – Ikonio – Fuel Pier

The area also includes the container terminal management and operations buildings, as well as the installations of the fuel pier.

The area of outdoors sections to the west of the fuel pier includes a non-developed area of land (Armos area), part of which is to be developed as a vehicles and container storage depo and a terminal station of the Hellenic Railways Organization (HRO) for the trafficking of containers from the Container Terminal to the HRO station to be constructed at the Thriassion plain.

C4. Perama Port (Ship Repair Units)

This forms the western limit of the Port area and extends south of the urban area of Perama; it mainly serves ship repair activities and, to a smaller extent, the passenger traffic of the coastal crossing between Perama and Salamina.

D. Salamina Port

It is located at the Ampelakia bay of the island of Salamina, opposite to the Perama Port and in the area of Kynosoura. The length of its wharfs spans 1,185 meters. The port supports ship repair activities exclusively. The area hosts a number of small shipbuilding and repair units, managed by private undertakings. The concession excludes: (a) the overall land area between the Panayiotakis shipyards (to the north) and the Bekris shipyards (to the south) of the Ampelakia area; and (b) the land zone of 19,000 square meters of the Tomb of the Salamina Battle warriors, in accordance with the terms of the Concession Agreement, dated 13.02.2002.

The port of Salamina extends from the Punda area of the Municipality of Salamina to the tip of the Kynosoura peninsula. The Punda area, up to the Bekris shipyards, includes the coastal and shore zones. Such areas of PPA S.A. has been leased to various private shipyards operating in Salamina. The Ampelakia bay, from the Panayiotakis shipyards to the Bekris shipyards has been exempted from the concession agreement. The Kynosoura area of Salamina forms part of the port land zone in its entirety, with the exception of the Tomb of the Salamina Battle warriors and the southern side of the Kynosoura peninsula. Two private shipyards operate in this area, namely, the Th. Bekris and former Diamantis shipyards.

The islands of Psyttaleia, Atalandi and Hoirades Scrofes form part of the port area of PPA S.A. The Athens water biological filtering plant operates on Psyttaleia. The area by the Psyttaleia lighthouse has been exempted from the Concession Agreement.

RESTIS AREA OF ASPROPYRGOS

The Restis area at Aspropyrgos includes the coastal zone and has been exempted from the Concession Agreement.

ii) Description of Buildings and Infrastructure Works

The Annex lists, in the form of a table, a brief description of the building sites and infrastructure works within the PPA S.A. port zone which are under concession from the Greek State, by virtue of the Concession Agreement. The table designates the respective user, the party responsible for maintenance and the respective insurance policies in place.

As regards the issue of building permits, it is noted that paragraph 2 (e) of the tenth article of Law 2932/2001 lists among the competences of the newly formed Port Design and Development Committee the “approval, revision and updating of development programs and management studies of ports (Master Plans), whereby there shall be designated the maximum limits of Port Zones, the allowed siting activities, the terms of use of land, the terms and restrictions on buildings, traffic regulations and any other detail necessary for the functionality and safety of the port”. This relatively recent provision partly covers a legal lacuna and the controversy that had arisen as to whether port zone qualify as urban planning areas or not; on the basis of the above provision, it is demonstrated that ports constitute a separate, third category and are governed by a different status. As a result, the issue of approved uses of land and terms and conditions applicable to the erection of buildings is now conclusively a matter within the competence of the Port Design and Development Committee. The issue of competence for the issuance of building permits remain pending, notwithstanding the fact that the said Committee has been endowed with the competence of determining general terms on the erection of buildings. In anticipation of a respective new provision of law, an obvious lacuna continues to exist, which makes it improbable for any state authority to wish to impose sanctions against PPA S.A. in relation to the existence or continued existence of buildings erected, technically without respective building permits. As the law did not specifically stipulate a procedure for issuance of such permits, the imposition of sanctions in that case would be abusive and contestable, on the basis of the principle of fair administration, acknowledged by Greek administrative law.

In the event one would maintain that the buildings under concession have been unlawfully constructed and corresponding sanctions would be imposed (e.g. maintenance fines), this would constitute a default by the Greek State under the Concession Agreement, to the extent relevant to such “unlawful” construction. Therefore, in such case the Greek State would be obligated to indemnify PPA S.A.

A Works Maintenance Department, operating within the Works Directorate of PPA S.A., is responsible for the maintenance of infrastructure. This justifies why the Company has not entered into long-term maintenance contracts. Maintenance expenses for the period 1.06.1999 – 31.12.2000 equaled € 22 million, while for the year 2001 the equivalent figure was € 7.6 million. For 2002, the estimate of maintenance costs is € 6.5 million. According to the Company, the amounts presented in the following table were applied to restore damages arising as a result of the 1999 earthquake:

PPA Costs for the Restoration of Damage to Infrastructure as a result of 1999 Earthquake		
Work Designation	1999 (in € 000)	2000 (in € 000)
I. Sea Works		
Piraeus Central Port – Dodecanese Liners Wharf	244	167
Piraeus Central Port – Saronic Gulf Liners Wharf	505	669
“Eleftherios Venizelos” Container Terminal	147	1,174
Perama Ship Repair Zone – German Wharf – Fuel Pier	279	954
Piraeus Central Port	-	1,174
Total Sea Works	1,174	4,138
II. Land Works		
Warehouse C8,C9, C10 Buildings	540	634
PPA Exhibition Center	226	2,415
PPA Exhibition Center (buttressing of structural elements)	-	4,109
General Materials Warehouse Building	188	252
Port Police School building – Piloting Station	247	164
Buildings – surfacing – networks at Perama Repair Zone	352	470
Flooring at Perama Repair Zone	-	1,174
Tzelepi Coast Services Building	270	141
1st Customs Office building, Hetion Coast passenger terminal, Central Port Police Precinct, Customs	38	402
6th Customs, District III, Watering, Port Police School	558	264
Tzelepi Coast Passenger Terminal Building	-	587
Repair – reinforcement of road bridge at Port Police School	-	1,585
Repair and buttressing of Silo building structural elements	-	1,761
Total Land Works	2,418	15,161
Grand Total	3,592	19,299

The most important contracts whereby the Company leases to third parties property on concession from the Greek State are set forth in the table below; a complete list of leases is included in the annex of this Offering Memorandum.

The legal auditor that conducted the independent legal due diligence on the Company notes that «*in accordance with article 3 paragraph 1 of the Articles of Incorporation of PPA S.A. (Law 2688/1999), the Company’s objects include, among others, the conduct of any activity related to the port’s mission, as well as any other commercial, industrial, oil and gas and business activity, including in particular those related to tourism, culture, fisheries and the design and organization of port facilities (indent c), as well as any other activity that had been entrusted to the Piraeus Port Authority during its period of operation as a legal entity of public law (indent d). The above provision of indent d’, combined with the indicative listing of individual objects of the Company (article 3, par. 1 of its Articles of Incorporation), refers to the legal regime previously in force, pursuant to which, the enumeration of activities lying within the notion of Management and Exploitation of Ports (article 4 of Law 1559/1950) includes, among others, the concession against consideration and for periods not exceeding 25 years of (i) areas of the land or sea zone for the performance of works or activities which are useful for the operation of the port (par. 10 of*

the above provision); (ii) the full exploitation of wharfs, sheds and warehouses of the port (par. 9), or (iii) of the use and exploitation of any real property, including floating and dry docks within the Port area (par. 14 of the above provision). In view of the above, PPA S.A. has proceeded to concessions of areas within the port zone to third parties. In accordance with paragraph 6 of the thirty-fifth article of Law 2932/2001, the provisions of the above law (paragraph 4 of the above article abolished indent b' of paragraph 1 of article 5 of the Articles of Incorporation of PPA S.A.) do not affect the contracts for the concession of use of land, buildings and other facilities that PPA S.A. may agree with third parties, be they legal entities or natural persons, until the time of execution, pursuant to paragraph 1 of the same provision, of the concession agreement for the granting by the Greek State to PPA S.A. of the right to use and exploit the above land, buildings and infrastructure lying within the port zone of the Port of Piraeus”.

The following table includes an indicative presentation of the ten largest contracts for the concession of use of various PPA S.A. areas to third parties:

COUNTERPARTY	LOCATION	AREA (M ²)	CONSIDERATION 2002 (€)
BP Hellas S.A.	Ikonion – Fuel Pier	24,893	240,922
Tot Hellas (Cyclon)	Ikonion – Fuel Pier	13,599	131,913
Hellas Flying Dolphins S.A.	Perama Ship Repair Zone - Coastal Area	7,448	205,010
Shell Hellas	Ikonion – Fuel Pier	26,563	259,133
Duty Free Shops	Xaveri coast Passenger Terminal	303	120,000
Constantinos Kokkotis	Karaiskaki square Passenger Terminal		186,805
Nautilus Shipyards	Salamina – Shipyard	16,436	43,809
John Hartsas	Ikonion – Outdoors Area	5,000,000	61,800
Anastasia Samakovlis	Ikonion – Container Terminal canteen		148,644
ETEK S.A.	Ikonion – Fuel Pier	7,135	67,689

In relation to tenants at default, PPA S.A. shall initiate proceedings for eviction and for reclaiming possession of sites. The respective amounts due to PPA S.A. have been included in the Company's financial statements and, as a rule, are subject to collection under the rules of the Code of Collection of Public Revenues. Cases of concessions and leases at default are included in the Company's pending litigation matters.

iii) Description of Port Facilities on Concession

The port facilities of PPA S.A. may be categorized as follows:

- Piraeus Passenger Port
- Dry Docks
- Commercial Port of Piraeus– Drapetsona– Hercules Port– Container terminal – Fuel Pier
- Perama Ship Repair Zone– Port infrastructure of private repair units
- Salamina port facilities

The following table includes a reference to the above port installations, as well as information on the location and type of port works, the period of construction, the wharf net depth and the wharf length.

TABLE OF DESCRIPTION OF PPA S.A. PORT INSTALLATIONS ON CONCESSION FROM THE GREEK STATE BY WAY OF THE CONCESSION AGREEMENT

No.	LOCATION OF PORT WORK & RESPECTIVE CROSS SECTIONS	TYPE OF WORK	CONSTRUCTION PERIOD	WHARF NET DEPTH (M)	LENGTH (M)
Ia.- PASSENGER PORT					
1	THEMISTOCLES WHARF				
a)	D1	Breakwater	1924-1930	-4.50	110
b)	D2	"	1898-1906	-4.50	220
c)	D3	"	1898-1906	-4.50	150
2	NEW CRUISE SHIP QUAY				
a)	DOCK16 – Themistocles wharf area	New land area and wharf	Under construction	-12.50	635
3	BARGE MOORINGS				
a)	D4	Breakwater	1924-1930	-4.00	160
b)	D5	Coastal wharf	1924-1930	-4.00	350
4	PORT ENTRANCE				
	D6	DOCK15	1955-1960	-10.00	350
5	ENTRANCE OF CENTRAL PORT				
a)	D7	DOCK14	1960-1965	-10.00	300
b)	D8	DOCK14	1960-1965	-11.50	182
6	INTERNATIONAL TERMINAL				
a)	D9	Pier (No III)	1960-1965	-11.50	560
7	PPA EXHIBITION CENTER AREA				
a)	D10	DOCK13	1960-1965	-11.50	125
b)	D11	DOCK12	1960-1965	-11.50	250
c)	D12	DOCK11	1955-1965	-11.50	180
d)	D13	DOCK10	1955-1960	-11.50	120
e)	D14	DOCK10	1955-1960	-11.50	240
8	SAINT SPYRIDON CENTRAL QUAY				
a)	D15	DOCK9	1955-1960	-8.00	140
9	CENTRAL QUAY – TOWN HALL AREA				
a)	D16	City Hall Moorings	1999-2000	-6.50	425
10	TZELEPI COAST				
a)	D17	Quay II	1955-1960	-6.50	150
b)	D18	Quay II	1955-1960	-8.00	65
c)	D19	Quay II	1955-1960	-6.50	85
d)	D20	Quay I	1955-1960	-6.50	140
e)	D21(L=90 m:1985/ Remainder:1955-60)	Quay I	1955-1960/1985	-8.00	424
11	ALON PORT				
a)	D22 (L=160 m:1955-60/ Rem.1924-30)	DOCK7-8	1924-30/ 1955-60	-8.00	367
b)	D23	DOCK7-8	1924-1930	-8.00	190
c)	D24	DOCK7-8	1924-1930	-9.00	233
d)	D25	DOCK5-6	1988	-9.00	175
12	CENTRAL PORT – WESTERN QUAY				
A)	D26(L=40 m:1994/ Rem. 1928-30)	DOCK5-6	1928-1930 & 1994	-10.00	245
B)	D27 (L=150m:1994/Rem. 1928-30)	DOCK4	1928-1930 & 1994	-10.00	780
C)	D28	DOCK4	1928-1930	-11.50	95
13	PORT ENTRANCE - NORTHWEST SECTION				
A)	D29	SILO	1928-1930	-10.00	142

TABLE OF DESCRIPTION OF PPA S.A. PORT INSTALLATIONS ON CONCESSION FROM THE GREEK STATE BY WAY OF THE CONCESSION AGREEMENT

No.	LOCATION OF PORT WORK & RESPECTIVE CROSS SECTIONS	TYPE OF WORK	CONSTRUCTION PERIOD	WHARF NET DEPTH (M)	LENGTH (M)
14	STONE –BUILT TANK AREA				
A)	D30	Wharf on tank edge	1900	-3.00	60
15	PORT ENTRANCE – VASSILEIADIS AREA				
a)	D31	DOCK2-3	1924-1930	-10.00	450
b)	D31	DOCK1	1995-2000	-10.00	520
c)	D32	DOCK1-Pier	1995-2000	-10.00	100
d)	D33	Krakaris Quay	1995-2000	-12.00	100
e)	D34	"	1995-2000	-2.50	45
16	KRAKARIS WHARF				
a)	D35	Breakwater	1900-1910	-4.00	100
b)	D36	"	1900-1910	-4.00	100
Ib.- PASSENGER PORTS (DRY DOCKS)					
β)	Stone-built tanks	DRY DOCKS	1900		
II.- COMMERCIAL PORT					
1	DRAPETSONA PORT				
a)	D37	Breakwater	1970-1975	-12.00	200
b)	D38	"	1970-1975	-12.00	100
c)	D39	"	1970-1975	-12.00	500
d)	D40	Coastal wharf	1970-1975	-12.50	437
2	HERCULES PORT				
2a	PIER I				
a)	D41**	SW wharf and front	1990-1994	-12.50	640
b)	D42**	NE wharf	1965	-6.50	500
e)	D43	Coastal wharf	1970-1975	-12.50	230
2b	PIER II – SAINT GEORGE MILLS – MILITARY ZONE				
a)	D44	Wharf along perimeter	1959-1962	-10.00	504
2c	FISH WHARF – PIERS III & IV				
a)	D46	Wharf along perimeter	1959-1962	-5.00	200
b)	D45 & D48	"	1959-1962	-5.00	271
c)	D47	"	1959-1962	-7.00	205
2d	CHARCOAL WHARF – PIERS IV & V				
a)	Cross section D49-D51 Pier IV	Wharf D49**	1961-1963	-7.00	128
b)	Cross section D49-D51 Pier IV	Wharf D51**	1961-1963	-4.00	375
e)	Cross section D50-D51 Pier IV	Wharf D50	1961-1963	-10.00	262
f)	D52	Coastal wharf	1961-1963	-4.00	500
g)	Pier IV assembly – D53	"	1965-1970	-10.00	80
h)	Cross section of Pier V	Wharf D54**	1965-1970	-10.00	290
i)	"	Wharf D55**	1965-1970	-12.50	500
3	NEO IKONIO – CONTAINER TERMINAL PIERS				
a)	D56	Coastal wharf	1970-1975	-12.50	180
b)	D57	"	1970-1975	-12.50	565
c)	Assembly of Container Terminal Pier I – D58	"	1970-1975	-10.00	70
d)	Cross section of Pier I - D59**	Wharf along perimeter	1970-1975	-10.00	720
f)	Intermediate section of piers I & II -60	Coastal wharf	1977-1982	-14.00	180
g)	Cross section of pier II - D61**	Eastern wharf	1985-1990	-14.00	800
h)	D61**	Part of front	1990-1995	-14.00	440
i)	Cross section of pier II - D62**	Western wharf	1995-1997	-16.50	700
k)	D62**	Part of front	1990-1995	-16.50	70

TABLE OF DESCRIPTION OF PPA S.A. PORT INSTALLATIONS ON CONCESSION FROM THE GREEK STATE BY WAY OF THE CONCESSION AGREEMENT

No.	LOCATION OF PORT WORK & RESPECTIVE CROSS SECTIONS	TYPE OF WORK	CONSTRUCTION PERIOD	WHARF NET DEPTH (M)	LENGTH (M)
4	NEO IKONIO – PIER III (FUEL PIER)				
a)	Fuel pier base –D64**	Eastern wharf	1995-1997	-12.50	300
b)	D65-D65**	Cross section	1975-1980	-12.50	760
e)	Fuel pier base –D66	Western wharf	1995-1997	-7.00	150
g)	Fuel pier base –D67	"	1995-1997	-4.00	80
III.- PERAMA SHIP REPAIR ZONE					
1	AREA OF PRIVATE SHIP REPAIR OPERATIONS				
a)	Private operations coastal zone –D68	Wharfs	1950-1990	~4.00	1.750
b)	D69	Jetty I	1980-1990	-4.00	120
c)	D70	Jetty II	1980-1990	-5.00	115
2	MAIN PIER I (L=350 m)				
a)	D71	Wharfs	1965-1970	-10.00	830
b)	D71	Stone buttressing	1965-1970		
c)	D71	Paving	1965-1970		
3	INTERMEDIATE QUAY				
	D72	Wharf	1970-1975	-10.00	460
4	PIER II (Secondary L=250 m)				
a)	D73a	Wharf	1970-1975	-10.00	600
b)	D73b	Wharf	1970-1975	-12.50	50
c)	D73	Stone buttressing	1970-1975		
C)	D73	Paving	1970-1975		
5	WEST COAST HAVEN				
a)	D74	Breakwater	1970-1990	-4.00	750
b)	D75	Pier	1970-1990	-4.00	35
c)	D76	Arched jetties	1970-1990	-4.00	140
IV.- SALAMINA PORT INFRASTRUCTURE					
1	KYNOSOURA SHIP REPAIR ZONE				
a)	D77	Coastal wharf	1995-1997	-5.60	225
b)	D78	Jetty	1995-1997	-5.60	200
2	PORTLET OF AMPELAKIA BAY				
A)	D79	Coastal wharf	-	-5.00	250
b)	D80	3 piers	-	-5.00	300
3	ETMLE PORTLET				
a)	D81	Coastal wharf	-	-3.00	120
b)	D82	Jetty	-	-3.00	90

** Calculation of value per m² of wharf, excluding stone buttressing

In accordance with the Concession Agreement that PPA S.A. has signed with the Greek State, the Company is under an obligation to maintain all concession assets. The cost of such maintenance on fixed assets shall be reported in account 62.07 "Building Repair and Maintenance".

iv) Permits

• *Approval of Environmental Terms of Environmental Permits*

1) Environmental Terms have been approved in relation to the Company's investment and development plan (Joint Decision of Ministers of Planning, Environment & Public Works and Merchant Marine No. 17481/12.7.1996), which relate to the following works of PPA S.A.:

- Required works at the "Eleftherios Venizelos" Container Terminal of Neo Ikonio, for the completion of existing pier II and the construction of pier III.
- The procurement and installation of modern electrical and mechanical equipment on piers II and III.
- The construction of infrastructure works at the commercial port for the traffic of conventional cargo.
- Works of reconstruction of the port facilities (at sea and on land) at the Piraeus Central Port for the servicing of passenger liners and the trafficking of passengers and vehicles in the area.
- Works for the reformation and exploitation of Central Port areas, in order to attract new service operations, especially in relation to maritime affairs.
- Works for the modeling of a new seafront for the development of the ship repair port of PPA S.A. at Neo Ikonio.
- Transport infrastructure works within the port complex of PPA S.A. and, specifically, for the construction of the Piraeus – Schistos Ring Road, which will have a total length of 8.2 kilometers, shall commence on the Saint Denis locality of the Kondylis Coast of Piraeus and will lead to Schistos Avenue. In relation to road construction works of the Piraeus – Schistos ring road, Joint Ministerial Decision no. 31863/22.11.1994 has been issued, which approves environmental terms.

2) Environmental Terms have been approved in relation to the enhancement works of the Port of Piraeus at sea and on land (Joint Decision of Ministers of Planning, Environment & Public Works and Merchant Marine No. 81421/20.04.1995)

In accordance with the Company, approved environmental impact reports have been compiled in connection with all works performed by PPA S.A., as provided for by Greek legislation, which has been harmonized with rules of EU origin. In addition, PPA S.A. complies with provisions of Greek and EU environmental laws.

• *Permits for the Performance of Works*

The following works have been approved by way of Decisions of the Minister of Planning, Environment & Public Works:

- Performance of "Works for Reformation and Conversion of the Piraeus Central Port into an exclusive Passenger Port – "Palataki" Area Port Works – Phase B".
- Performance of "Works for Reformation and Conversion of the Piraeus Central Port into an exclusive Passenger Port – Land Works of "Vassileiadis Coast" and "Palataki" areas, with a budgeted cost of € 13.8 million.
- As noted by the legal auditors that performed the independent due diligence on the Company, there appears to be no approval by the Minister of Planning, Environment & Public Works in relation to the Piraeus – Schistos ring road.

The following works have been approved by virtue of Decisions of the Minister of Finance:

- Right of use of shore, of an area of 23,500 m² at the "Palataki" locality, for the performance of "Works for Reformation and Conversion of the Piraeus Central Port into an exclusive Passenger Port – "Palataki" Area Port Works – Phase B". The above grant of the right of use of the shore is conditional upon PPA S.A. complying with the environmental terms stipulated by Joint Ministerial Decision no. 17481/12.7.1996 of the Ministers of Planning, Environment & Public Works and Merchant Marine, as well as with conditions applicable to the use of explosives for the relaxation of underwater rocks, as stipulated in Circular no. 3312.1/06/95/23.06.95 of the Ministry of Merchant

Marine. The above right has been granted free of charge; however, all works to be constructed on the area provided shall be owned by the State. The above decision does not affect the communal nature of the site.

- Permit for the performance of work on an area of 395,000 m², in relation to the project of construction of Pier III at the Eleftherios Venizelos Container Terminal of Neo Ikonio. As a condition for the grant of the above right, PPA S.A. must comply with the environmental terms stipulated in Joint Ministerial Decision no. 17481/12.7.1996. The above right has been granted free of charge; however, all works to be constructed on the area provided shall be owned by the State. The above decision does not affect the communal nature of the site.

- **Operation Permits**

Fire Safety Certificates

As noted by the legal auditor, in accordance with the data provided by the Company, the following table presents the status as to fire safety certificates in relation to the Company's various operations (buildings, warehouses and workshops):

No.	BUILDING	FIRE SAFETY PERMIT
A. EXHIBITION CENTERS		
1	EXHIBITION CENTER	A certificate valid until 7.3.2005 is available.
B. OFFICE BUILDINGS		
	KASTRAKI OFFICE BUILDING (PROCUREMENT)	A certificate valid until 24.1.2008 is available.
	PPA S.A. HEADQUARTERS	Fire prevention measures have been proposed by the Fire Brigade (F.B.) and are to be implemented.
	CONTAINER TERMINAL BUILDING	Fire-prevention measures have been implemented; issuance of a certificate is expected.
C. WAREHOUSES		
	WAREHOUSE C14-C15-C16	A certificate valid until 9.5.2007 is available.
	WAREHOUSE C6	A certificate valid until 14.5.2007 is available.
	WAREHOUSE C8-C9 (GROUND FLOOR)	A certificate valid until 2.5.2007 is available.
	OUTDOORS CAR DEPO C1	A study has been compiled; respective works in the course of award.
	OUTDOORS CAR DEPO C2	A certificate valid until 17.03.2008 is available.
	OUTDOORS CAR DEPO C6	A certificate valid until 14.5.2007 is available.
	WAREHOUSE C11	An audit of systems is conducted. Renewal of certificate is awaited from F.B.; expected to obtain certificate by 15.6.2003.
	ODDY WAREHOUSE	Tender in progress for safety design.
	ODDY WAREHOUSE C2	Tender in progress for safety design.
	ODDY WAREHOUSE C3	Tender in progress for safety design.
	CONTAINER TERMINAL OUTDOORS DEPO	Fire safety design is at the stage of acceptance.
D. WORKSHOPS		
	FLOATING VESSELS & DRY DOCKS WORKSHOP	A certificate valid until 3.5.2006 is available.
	BARGE & DRY DOCKS WORKSHOP	A certificate valid until 21.2.2007 is available.
	DRY DOCKS VEHICLE WORKSHOP	A certificate valid until 21.2.2007 is available.
	MEK WORKSHOP	A certificate valid until 21.2.2007 is available.
	TIMBER WORKSHOP	A certificate valid until 20.1.2008 is available.
	A7 WORKSHOP AT IKONIO (OLD)	Half of the building is not being used; a certificate is awaited in relation to the other half.

No.	BUILDING	FIRE SAFETY PERMIT
	GANTRY CRANE WORKSHOP – NEO IKONIO CONTAINER TERMINAL	A certificate valid until 20.1.2008 is available.
	FACTORY – MACHINERY WORKSHOP	A certificate valid until 12.6.2007 is available.
	DRY DOCKS PUMPING STATION	A certificate valid until 9.5.2006 is available.
	CRANE WORKSHOP (C3 IKONIO)	A certificate valid until 9.5.2006 is available.
	FUEL STORAGE – FIXED TANKS WITH PUMP	A study has been completed; respective works to be awarded.
	CONTAINER TERMINAL NEW WORKSHOP	Fire-prevention measures have been implemented; issuance of a certificate is expected by 30.06.2003.
E.	SUB-STATIONS	
	SUB-STATION OF FIXED TANKS PUMPING STATION	A certificate valid until 9.5.2008 is available.
F.	OUTDOORS AREAS	
	VASSILEIADIS COAST OUTDOORS AREA	Fire-prevention works in progress by contractor.
	PUBLIC POWER CORPORATION PIER (SHIP REPAIR ZONE)	Tender in progress for safety design.
G.	MISCELLANEOUS USE AREAS	
	KARAISKAKI SQUARE UNDERGROUND GARAGE	Facilities inspection has been awarded and application filed for certificate renewal.

The Company has initiated action for procuring fire safety certificates in relation to all of its activities and has performed a considerable part of the works required. It is estimated that until the end of the current year fire safety certificates will be procured in relation to all activities of PPA S.A.

7.1.2 Fixed Assets owned by PPA S.A.

The valuation effected by the Committee in accordance with Article 9 of Codified Law 2190/1920 related to the assets owned by PPA S.A., as well as to the claims and obligations of the Company.

The above valuation aimed at determining the Company's net worth in aggregate and not solely on the basis of the valuation of the fixed assets it owns. On the basis of the Committee report dated August 2, the aggregate value of the Company's assets was equal to € 181 million. The sole fixed asset that belongs to the Company is a plot of land, outside the port zone and within the urban planning area of the Municipality of Athens, at the Metaxourgion area. The total area of the plot is 888 square meters.

The historic cost of the above plot of land, in accordance with the Article 9 Committee valuation, was € 513,367 on January 1, 2001, while the right of use and exploitation of the plot has been granted to a private party by the PPA, against consideration, by virtue of an agreement dated 11.11.2002, for a concession term of 3 years, for a monthly consideration of € 1,500, subject to adjustment by 3% per annum.

It is noted that the above plot of land was acquired by the Piraeus Port Authority following a forced sale. The Article 9 Committee identified, in relation to this property, one entry in the Books of Claims and one in the Books of Attachments of the competent Land Registry. The first entry (claim) relates to a writ challenging the act of knock down, filed in the year 1956; as a result, the above claim has now been estopped by limitation (following the lapse of more than 20 years). The second entry (an attachment) relates to a receivable of € 1,743 of the Municipality of Athens in connection with municipal charges. PPA S.A. maintains that no attachment may be effected on its assets, by reason of its immunities, stipulated in Article 3 of Compulsory Law 1559/1950 (a provision that has remained in force, by virtue of par. 2 of the second article of Law 2688/1999).

Machinery – Equipment

The terrestrial equipment of PPA S.A. is classified into the following categories:

- Gantry cranes on rail tracks
- Electric cranes on rail tracks
- Workshop Equipment
- Straddle Carriers
- Registered vehicles
- Water, electricity and fire prevention networks
- Silo equipment
- Other equipment

The following table sets forth a brief description of part of the machinery and equipment of PPA S.A. A full list of machinery and equipment is set forth in the appendix to this Offering Memorandum.

TABLE OF DESCRIPTION OF KEY EQUIPMENT ASSETS OWNED BY PPA S.A.				
CATEGORY/DESCRIPTION OF ASSET		Q/TY	YEAR/PERIOD OF ACQUISITION	ACQUISITION COST (IN EURO 000)
GANTRY CRANES ON RAILTRAKCS				
H. ROKAS	POST PANAMAX	4	1997	13,300
ROKAS – MAN	46	3	1989 /1991	5,649
CONTAINER GANTRY CRANE	POST PANAMAX	2	2000	6,662
CONTAINER GANTRY CRANE	POST PANAMAX	2	2002	8,929
BABCOCK	41	1	1973	1,585
COCKS – METKA	46	2	1981	2,043
ELECTRIC CRANES ON RAILTRACKS				
CANTIERI	3	1	1949	15
DEMAG	3/20	3	1950	44
DEMAG	15	1	1951	15
SHELTON 5.2	6/25	1	1953	15
MAN	10/15	1	1955	59
GANZ	6/25	2	1973/1975/ 1977/1978	581
GANZ	27/33	2	1977	1,409
GANZ	20/30	6	1977/1978	3,739
STRADLE CARRIERS				
STRADDLE CARRIERS / Valmet	35T/348HP	12	1992	1,324
STRADDLE CARRIERS / Valmet	40T/330HP	17	1996	4,114
STRADDLE CARRIERS / Noell	40T/303HP	25	1992/1996/1999	10,450
INTERNAL TRANSPORT VEHICLES				
MOBILE CRANE	Hycos	9	1990/1992	584
FORKLIFT	Clark DMP205B	14	1990	88

FORKLIFT	Caterpillar V110B	9	1990	144
FORKLIFT	Caterpillar V155B	5	1990	82
FORKLIFT	Other	55	1981-91	537
FORKLIFTS				-
Lancer Boss	B 65	2	1986	88
Lancer Boss	G2812GPCH	3	1986	238
PGS	RoRo-4	7	1989	493
PGS	M400	2	1988	117
Fantuzi	FDC 150 S3	8	1996	1,010
FORKLIFT	Other	5	1988-94	693
SEMI-TRAILERS		28	1972-95	267

The aggregate acquisition cost of machinery and technical installations of PPA S.A., in accordance with the Article 9 Committee valuation was € 68 million on January 31, 2001.

In addition to electrical and mechanical equipment, PPA S.A. owns various floating vessels, including tugboats, launches, floating cranes, floating tanks, floating docks and barges.

Information Technology Systems

PPA S.A. has already installed an integrated Port Management Information System (P-MIS), aiming at fully automating the entirety of operations and procedures of the Company. The system's final acceptance took place on 31/3/2002 and the system has been deployed to productive use, for its major part.

The P-MIS installation relates to:

1. The procurement, installation and commissioning of hardware.

Equipment in general includes the following:

- Computer hardware;
- Operating system, systems and application software;
- Telecommunications networking (telecommunications hardware, software and networking infrastructure); and
- Wireless communications.

Specifically, the P-MIS system includes:

- Computer hardware/software:

All equipment (hardware, plus software) has been installed and is in operation, including 14 Servers on three hubs, 400 personal computer workstations, 50 printers, etc., with the respective systems software. Such equipment has been deployed throughout the port area and is operating normally.

- Network (wire)

All wire network provided by the applicable specifications has been installed and is in operation.

- Wireless network

The above equally apply to the wireless network. Its use focuses on the support of the Container Terminal's enterprise applications (Container Management).

- Gate equipment (automatic photography)

Such equipment has been installed on a pilot basis at the container entry and exit gates of the Container Terminal and aims at enhancing the monitoring of status of incoming and outgoing containers. This equipment operates in conjunction with the SPARCS and EXPRESS applications.

- Management and Financial Applications

Applications supporting general accounting on the basis of the Greek Generally Accepted Accounting Principles for corporations, budget compilation, monitoring of assets, payroll for employees and workers, procurement monitoring, costing, as well as applications on the efficiency of services provided and special offers have been completed and are in operation.

- Enterprise Applications.

Enterprise applications have been developed and installed, which are based on the SPARCS - EXPRESS programs of American software developer NAVIS, as well as the PLAMS application.

Use of the SPARCS and EXPRESS applications achieves the monitoring of management of ship loading and unloading, as well as the use of various stevedoring means involved in the process (gantry cranes, straddle carriers, forklifts, trucks, etc.). In addition, they are capable of monitoring the trafficking of containers within the container depot (yard) and the filling and emptying of containers at the CFS warehouses. The above applications enable the use of electronic communications (through applications using Electronic Data Interchange - EDI) between port customers/users and the Company's various operations, for the purpose of exchanging the documents and data required. Lastly, these applications support invoicing of all services provided.

The PLAMS software package is used to monitor the status and maintenance of all equipment used by PPA S.A. for its operating needs.

The Company has planned the following for the immediate future:

- Given the vulnerability of information technology systems to threats that may give rise to damages, loss of data, etc., a special study has been awarded for the installation of hardware and special software to protect the system's integrity from inherent and external risks. The installation and commissioning of such system shall take place within 2003.
- The installation of an electronic document management and filing system.

Within the framework of constant demand for modernization and the provision of services to third parties with the aid of new technologies, PPA S.A. has, in addition, initiated the following projects:

a) construction of an optical fiber backbone network (optical loop) at the Central Passenger Port and its link with the already existing network of the Commercial Port. The optical loop will support the telecommunications requirements for the 2004 Olympic Games and shall also form the basic infrastructure element for the subsequent "Nautilus" project;

b) "Nautilus" project: this project relates to the modernization of coastal navigation and other means of transport (ships, airplanes, trains, buses). The "Nautilus" project is to be implemented by PPA S.A. with the participation of coastal line operators, in the form of a joint venture and is anticipated to receive funding from the Third Community Support Framework (Information Society category of projects).

The telecommunications network infrastructure of PPA S.A. has been designed and installed in a manner enabling the Company to develop new applications and to provide services to the users of the Port on a fee, subscription or other basis.

2. The training of the Company's personnel

Upon the installation of the P-MIS and the introduction of information technology in many areas of the operation of PPA S.A., the workforce of PPA S.A. has been trained almost in its entirety on basic operating computer skills. As relates specifically to the various aspects of the P-MIS project (development tools, use of computer equipment, productive use, etc.), approximately 750 employees have been trained and operate the new system.

7.1.3 Guarantees – Encumbrances

The movable and immovable property of PPA S.A. has not been encumbered with any security interest in favor of its creditors. At the time of drafting of this Offering Memorandum, PPA S.A. had not provided its guarantee in favor of any third party.

In addition, PPA S.A. does not maintain security interests in connection with its receivables and claims vis-à-vis its customers, which means that all customer claims are unsecured; conversely, PPA S.A. requests the provision of security from its other debtors. Notwithstanding the above, the Company maintains a strict commercial policy vis-à-vis Port users, which includes the collection of considerable advances in relation to stevedoring services, while it retains a right of retention on goods delivered to it for custody, under Article 325 of the Greek Civil Code.

7.1.4 Letters of Guarantee

As at December 31, 2002, the Company had in its custody bank letters of guarantee (performance bonds) of an aggregate value of € 8.2 million, in relation to the good performance of contracts awarded by the Company. The following table presents letters of guarantee of a value in excess of € 100,000 available during 2002:

LETTERS OF GUARANTEE AVAILABLE ON DEC. 31, 2002	
DESCRIPTION OF ACCOUNT	(in €)
AEGEK S.A.	501,834
H. ROKAS ARCADIAN METALLURGY SA	403,232
H. ROKAS ARCADIAN METALLURGY SA	403,232
AVAX S.A. – K. ROUTSIS JOINT VENTURE	359,501
AVAX S.A. – K. ROUTSIS JOINT VENTURE	359,501
AEGEK S.A.	334,556
ELEFSIS SHIPBUILDING AND INDUSTRIAL ENTERPRISES S.A.	312,593
HELLENIC SLOPS S.A.	293,470
LOBBE TZILALIS S.A.	293,470
KLIMATAIR S.A.	260,000
EUCLEIDES TECHNICAL S.A.	235,000
EUCLEIDES TECHNICAL S.A.	235,000
KL. ROUTSIS S.A.	227,439
KL. ROUTSIS S.A.	227,439
EKO ELDA S.A.	150,501
GENERAL CONSTRUCTION CO. S.A.	139,398
CEREAL S.A.	134,263
LOBBE TZILALIS S.A.	131,263
N. PAPADAKIS S.A.	117,388

LETTERS OF GUARANTEE AVAILABLE ON DEC. 31, 2002

DESCRIPTION OF ACCOUNT	(in €)
LOBBE TZILALIS S.A.	113,045
JASON TECHNICAL S.A.	110,051
TOTAL	8,213,146

Note.: Any difference in the sum is attributable to the rounding of individual amounts

7.1.5 Fixed Assets Insurance Coverage

On the basis of the findings of the legal auditor that conducted the independent legal due diligence on the Company, PPA S.A. has taken out the policies identified in the following table, with the insurer under the trade name “PHOENIX – GENERAL INSURANCE OF GREECE S.A.”:

TABLE OF PPA S.A. INSURANCE POLICIES WITH «PHOENIX – GENERAL INSURANCE OF GREECE S.A.»					
Policy No.	Type of Policy	Insure Capital (Euros)	Term ⁽¹⁾	Asset	Insured Risks
28/19.3.2001		284,000	1.4.2001 - 1.4.2002 ability to extend	Various Assets of PPA S.A.	
2006380 / 25.5.2001	Fire and additional risks policy	117,388	1.4.2001 - 1.4.2002	Sea wave measurement device, located at the port works laboratory of the National Technical University of Athens at Zographou	Risks: fire, theft, breaking and entering, etc., civil liability for adjacent assets and civil liability, including alternative storage fees, up to Euro 587
8110542 / 16.5.2001	Electronic equipment all-risk policy	1.5 million	1.4.2001 - 1.4.2002	Hardware, networking equipment and software elements	Insured assets are covered at cost of replacement with new items of the same type and same capabilities, including replacement costs
2002735 / 30.3.2001	Fire and additional risks policy	440,205 for the building and 733,676 for the contents	1.4.2001 - 1.4.2002	Ground floor of building used as General Materials Warehouse at Drapetsona	Risks of fire-lightning, wide explosion, etc.
2002736 / 30.3.2001	Fire and additional risks policy	440,205	1.4.2001 - 1.4.2002	Office equipment at 10 Miaouli Coast, 1 Androutsou Street, Kastraki (Drapetsona) and Container Terminal building of Neo Ikonio	Risks of fire-lightning, wide explosion, etc., earthquake
2002730 / 30.3.2001	Fire and additional risks policy	2.9 million	1.4.2001 - 1.4.2002	Two-story building (2,200 square meters) at Kastraki of Drapetsona	Risks of fire-lightning, wide explosion, etc., earthquake
2002734 / 30.3.2001	Fire and additional risks policy	6.4 million.	1.4.2001 - 1.4.2002	Building complex of total area of 10,800 square meters (car parking) and seven ground level buildings of aggregate covered area of 320 sq.m. at the crossing of Pisidonos and Tzelepi Coast roads, at the Karaiskaki Square of Piraeus, including equipment	Risks of fire-lightning, wide explosion, etc., earthquake
2002728 / 30.3.2001	Fire and additional risks policy	14.7 million	1.4.2001 - 1.4.2002	Two-story building of total area of 23,000 square meters (international passenger transit terminal, banks, customs, PPA S.A. headquarters)	Risks of fire-lightning, wide explosion, etc., earthquake
2002729 / 30.3.2001	Fire and additional risks policy	2.9 million	1.4.2001 - 1.4.2002	Building with basement (heating station), ground floor and one office floor, of total area of 5,000 square meters, within customs area of Neo	Risks of fire-lightning, wide explosion, etc., earthquake

TABLE OF PPA S.A. INSURANCE POLICIES WITH «PHOENIX – GENERAL INSURANCE OF GREECE S.A.»					
Policy No.	Type of Policy	Insure Capital (Euros)	Term ⁽¹⁾	Asset	Insured Risks
				Ikonio container terminal.	
2002732 / 30.3.2001	Fire and additional risks policy	264,123	1.4.2001 - 1.4.2002	Complex of nine buildings used as flammable substances warehouse, plus one open shed, at the Keratopyrgos area.	Risks of fire-lightning, wide explosion, etc., earthquake
2002733 / 30.3.2001	Fire, additional risks and equipment policy	2.6 million	1.4.2001 - 1.4.2002	Buildings and other infrastructure of the PPA S.A. Silos at Drapetsona, including machinery and equipment installations.	Risks of fire-lightning, wide explosion, etc., earthquake
2002731 / 30.3.2001	Fire and additional risks policy	13.2 million	1.4.2001 - 1.4.2002	Building consisting of ground floor and two floors, of a total area of 10,000 sq.m. at M. Merkouri square of Piraeus (exhibition center)	Risks of fire-lightning, wide explosion, etc., earthquake
10001091 / 0002 / 10.4.2001	Civil Liability Policy	The policy covers the following amounts and provides the following deductibles per type of risk: (a) property damage to third parties from the operation of container straddle carriers: € 14,674 per insured event and in aggregate, with a deductible of € 1,467 per insured event, (b) damages to own cargo, up to € 14,674 per insured event, with a deductible of € 1,467, (c) injury: € 29,347 per person and € 58,694 in aggregate, (d) material damage: € 2,935, with a deductible of € 293 per insured event.	1.4.2001 - 1.4.2002	Consequences of PPA S.A. civil liability for acts or omissions. Civil liability of PPA S.A. against third parties exclusively arising out of the operation of insured vehicles/machines as tools, including their devices and/or machinery attached thereto, as well as property damage to third parties from the operation of container straddle carries, including own cargo.	
10001065 / 0001 / 9.4.2001	Civil liability policy	The policy covers the following amounts and provides the following deductibles per type of risk: (a) injury: € 14,674 per person and € 44,021 in aggregate, (b) property damage: € 2,935, with a deductible of € 147 per insured event.	1.4.2001 - 1.4.2002	Civil liability of PPA S.A. against third parties that may arise in relation to the equipment and facilities of the buildings on 10 Miaouli Street in Piraeus, 1 Androutsou Street of Kastraki (Drapetsona) and the Container Terminal building, at Neo Ikonio.	
10001089 / 0001 / 10.4.2001	Civil liability policy	The policy covers an amount of € 146,735 per insured event, € 29,347 per person and a maximum aggregate limit of € 440,205 throughout the term of the policy, without deductibles.	1.4.2001 - 1.4.2002	Employer's liability of PPA S.A. for obligations in excess of those covered by the Social Security Fund, in relation to employees within specified buildings, as a result of accident, body injury or death occurring by reason of outside causes in the course of and in connection with employment. Designated buildings include the building complex of the Silos, the eight (8) flammable substances warehouses of Keratopyrgos, the building of the General Materials Warehouse at Drapetsona, the Management Building (10 Miaouli Coast, Piraeus), the building of 1 Androutsou Street of Kastraki (Drapetsona) and the Container Terminal building at Neo Ikonio.	
10001082 / 0001 / 10.4.2001	Civil liability policy	The maximum aggregate insured limit equals € 58,694 for body injury and property damage coverage and to € 29,347 for employer's civil liability insurance.	1.4.2001 - 1.4.2002	Civil liability of PPA S.A. vis-à-vis third parties that may arise in relation with the operation of an outdoors car parking area of a capacity of 500 vehicles at Saint Nicholas of Piraeus, including liability of PPA S.A. as employer, vis-à-vis employees of the car parking.	

TABLE OF PPA S.A. INSURANCE POLICIES WITH «PHOENIX – GENERAL INSURANCE OF GREECE S.A.»					
Policy No.	Type of Policy	Insure Capital (Euros)	Term ⁽¹⁾	Asset	Insured Risks
10001074 /0001/ 9.4.2001	Civil liability policy	The maximum aggregate insured limit equals € 58,694 for body injury and material damage coverage and to € 29,347 for employer's civil liability insurance.	1.4.2001 - 1.4.2002		Civil liability of PPA S.A. vis-à-vis third parties that may arise in relation with the operation of an outdoors car parking area of a capacity of 98 vehicles at the Karaiskaki Square of Piraeus, including liability of PPA S.A. as employer, vis-à-vis employees of the car parking.

(1) According to the Company's management, the above insurance policies have been extended and are in force

In accordance with resolution number 75/31.03.2003 of its Board of Directors, the Company decided on the extension of its contracts with Phoenix S.A., up to the terminal date of December 31, 2003.

In parallel, a tender process is in progress for the insurance coverage of PPA S.A.'s assets for a period of two years, which include the above-mentioned assets as well as equipment which is critical for the Company's operation.

7.13 Restatement of the Book Value of Fixed Assets

In accordance with Law 2688/1999, as amended by Laws 2881/2001 and 2932/2002, a committee conducted a valuation of the assets of PPA S.A. in accordance with Article 9 of Law 2190/1920, as of January 31, 2001. The valuation of the Company's assets was effected at their current value, taking into consideration accrued depreciation. It is further noted that, until its transformation into a corporation (societe anonyme), the Company did not implement the National Uniform Accounting Model, but used instead the Public Accounting Model; in accordance with the latter, the Company did not calculate depreciation, nor did it keep respective books of accounting entries.

The following table presents the development through time of the book value of the Company's fixed assets:

Analysis of Book Value of Fixed Assets									
DESCRIPTION	Acquisition cost as at 31/12/2001 following valuation	Value, net of depreciation as at 31/12/01	Additions/Enhancements 31.12.2002	Transfers 31.12.2002	Reductions 31.12.2002	Acquisition cost 2002	Depreciation 2002	Accrued Depreciation	Value, net of depreciation, as at 31.12.2002
In € thousand									
Land	513	513	0	0	0	513	0	0	513
Buildings and construction works	1,326	1,288	303	1,896	0	3,525	85	123	3,402
Machinery and installations	68,293	65,878	9,184	288	4	77,762	2,780	5,197	72,565
Means of Transport	11,272	10,938	2	0	55	11,218	421	755	10,463
Furniture and other Equipment	3,152	2,506	523	0	5	3,674	846	1,493	2,181
Fixed assets under construction	14,351	14,351		-2,914	0	26,278	0	0	26,278
			14,840						
TOTAL	98,908	95,475	24,852	-730	61	122,970	4,132	7,568	115,402

The fixed assets accounts on 31.12.2000 include accounting balances of Piraeus Port Authority (operating as a legal entity of public law) as of 31.5.1999, plus additions and enhancements of the period between 1.6.1999 and 31.12.2000, minus disposals, write-offs and depreciation for the same period. As of 31.12.2001, fixed assets include the value of fixed assets, as per the valuation of the Committee under Article 9 of Codified Law 2190/1920 with a reference date of 31.1.2001, plus additions and enhancements of the period between 1.2.2001 and 31.12.2001, minus disposals, write-offs and depreciation of the same period (eleven months). The above figures do not include the fixed assets (land, buildings and facilities) on which title remained with the Greek State, in relation to which PPA S.A. was granted by concession the right of use and exploitation. As at 31.12.2002 fixed assets include the value of assets as reported on the Company's financial statements.

7.14 Development of Share Capital

1. The Company's initial share capital was fixed by virtue of par. 1 of Article 5 of the Company's Articles of Incorporation, included in the third Article of Law 2688/1999, at the amount of Euro 293,470, while under Article 6 of the Articles of Incorporation, it was provided that the number and nominal value of shares into which the share capital is divided would be decided by the Company's Board of Directors.

Paragraph 5 of the eleventh article of Law 2688/1999 specifies that the above share capital is referenced for purposes of facilitating the Company's accounting entries, shall not be paid-in in cash and shall not be set off in any manner against the value of assets, which shall form the basis of definitive determination of the share capital.

As a result, the initial share capital of Euro 293,470 provided by the law represents a temporary and purely accounting entry and did not correspond to actually subscribed or paid-in capital; the reason for such a temporary entry was to facilitate the Company's accounting handling until the performance of the valuation of its assets, under article 5 of its Articles of Incorporation, the outcome of which would determine its definitive share capital. Consequently, no shares were issued and no entries were made in the Company's shareholder registry in connection with such initial share capital.

2. By way of a subsequent unanimous resolution of the extraordinary meeting of the Company's shareholders on 16.12.1999, the initial share capital was increased by the amount of Euro 35,216,434, by the issuance of shares of equal aggregate nominal value. Such increase was effected without a corresponding amendment of article 5 of the Company's Articles of Incorporation, as specifically permitted under article 7 of the said Articles.

The increase of the share capital was paid-in in cash by the Greek State, which subscribed the shares as a means of covering its share of financial contribution in relation to certain large scale infrastructure works.

The above share capital increase was effected in accordance with article 12, par. 2 of Law 2469/1997, which provides that subsidies from the State General Budget to entities of the public sector operating in the legal form of corporations (societes anonyms) may be disbursed by means of increases of their share capital by an equal amount and the issuance to the State of corresponding registered shares.

Pursuant to article 7 of the Company's Articles of Incorporation, no certification of payment-in of the share capital was required in connection with the said increase.

It is noted that the funding of Euro 14.65 million received by PPA S.A. by virtue of Collective Decision number E0835, as amended by the decision of the Ministry of Finance and National Economy dated 27.11.2002, relates to the construction of Olympic Works on land under concession by the State to PPA S.A.; such amount shall be reported on receivables accounts and shall not be applied towards the increase of the Company's share capital, as was initially contemplated by the above Collective Decision, now amended.

3. A valuation of the Company's assets was subsequently conducted, in accordance with Article 5 of the Company's Articles of Incorporation, as amended by way of Article 15, par. 1 of Law 2881/2001 and the thirty-fifth article of Law 2932/2001; the said article sets forth the procedure for the definitive determination of the Company's share capital, following an inventory, valuation, appraisal and the reporting on a balance sheet of the following assets and liabilities:

- a) all movable and immovable assets owned by PPA S.A., operating as a corporation; and
- b) all accounts payable and accounts receivable of PPA S.A., operating as a corporation.

In accordance with Article 5, par. 2 of the Articles of Incorporation of PPA S.A., as amended by Law 2881/2001, the net worth that would arise as a result of the valuation may be capitalized, in whole or in part, and applied for the formation of the Company's definitive share capital and that any part of such net worth not capitalized would be reported as special reserve. The same provisions provide that the general meeting of shareholders would resolve on the proportion of the net worth to be capitalized and that to be reported as a special reserve, respectively. In accordance with article 6 of the Company's Articles of Incorporation, the share capital that would arise as a result of the above valuation process, would be deemed as fully subscribed by the Greek State.

For the above purposes, Joint Decision of the Ministers of National Economy and Merchant Marine no. 773/5.7.2001 nominated a Committee under Article 9 of C.L. 2190/1920, as in force, for the performance of the valuation, as per Article 5 of the Company's Articles of Incorporation. The decision set the 31st of January, 2001, as the reference date for the valuation of fixed assets contributed to the Company.

Following the above, the Committee prepared its report, dated August 2, 2001, "on the Valuation of Assets and the Determination of the Company's Net Worth", whereby the Company's net worth was appraised at € 118,324,818.

Further to the valuation, the Extraordinary General Meeting of the Company's shareholders resolved as follows on August 7, 2001:

a) unanimously approved the above valuation report on the Company and authorized the Company's Managing Director to forward the report to the Supervising Authorities for approval and publication, in accordance with Article 9, par. 6 of Law 2190/1920.

b) decided to report the individual amounts calculated as part of the Company's net worth, on the same account headings of the equity section of the Company's audited balance sheet as of December 31, 2000, as follows:

- an amount of Euro 586,941 as ordinary reserve;
- an amount of Euro 4,141,082 as reserve relating to income not subject to tax;
- an amount of Euro 557,714 as a special reserve relating to income taxed in special way; and
- an amount of Euro 1,756,855 as a balance of taxed past year revenues carried forward.

c) decided, in relation to the balance available for capitalization, equal to Euro 111,282,226, to capitalize the same in part and specifically capitalize an amount of Euro 50,000,000, i.e., an amount of Euro 14,783,566, plus the amount of Euro 35,216,434, which corresponded to the previous capital increase (under 2 above) and, therefore, to specify the Company's definitive share capital at the amount of Euro fifty million (€ 50,000,000).

d) decided to report as a special tax-free reserve of Article 15, par. 3 of Law 2881/2001, the remaining balance of the Company's aggregate net worth per the valuation, i.e. part of the Euro 111,282,226, i.e., to report as a special tax-free reserve the amount of Euro 61,282,226.

e) authorized the Company's Managing Director to attend to the registration of an excerpt of the valuation report relevant to rights of the Company on immovable property at the respective public books of the competent Land Registries and Survey Departments, in accordance with Article 5 of the Company's Articles of Incorporation.

f) specified the nominal value of each share at the amount of Euro 2.0.

g) decided to approve an amendment to Article 5 of the Company's Articles of Incorporation, in order to account for the above developments, as well as for the share capital increase that had previously been decided by way of the resolution dated 16.12.1999 of the General Meeting of shareholders; such capital increase had been effected without a corresponding amendment of the Articles of Incorporation.

The same resolution determined that the Company's share capital of € 50,000,000 will be divided into 25,000,000 shares of a nominal value of Euro 2.0 each; the same resolution was repeated and confirmed by a separate resolution of the Company's Board of Directors, dated September 11, 2001.

Payment-in of the share capital increase was confirmed by way of a resolution of the Company's Board of Directors, dated 28.08.2001, notwithstanding the fact that such formality was waived by virtue of a special provision of the Company's Articles of Incorporation.

The following table presents the development and the manner of subscription of the Company's share capital, as of its establishment in its current legal form:

DEVELOPMENT OF SHARE CAPITAL						
Date of General Meeting of Shareholders	Issue Number & Date of Government Gazette	Amount of Share Capital Increase	By way of partial capitalization of asset valuation ⁽¹⁾	Aggregate Share Capital	Nominal Value of Share (in Euro)	Number of Shares
ESTABLISHMENT	A'40/ 1.3.99	293,470 ⁽²⁾				
16/12/1999	-	35,216,434				
07/08/2001	-	50,000,000 ⁽³⁾	50,000,000	50,000,000	2.0	25,000,000

⁽¹⁾ On the basis of the Article 9 Committee valuation.

⁽²⁾ The Company's initial share capital was specified by way of Law 2688/1999 at a notional amount of € 293,470, solely for assisting the Company in its accounting handling; the said Law provided that such notional amount would neither be paid in cash, nor would it be set off, in any manner whatsoever, against the value of the Company's assets that would arise as a result of the valuation process and form the Company's definitive share capital.

⁽³⁾ The above amounts were used for the increase of the Company's share capital, pursuant to the resolution dated 07.08.2001 of the Extraordinary General Meeting of the Company's shareholders; these amounts include the amount of € 35,216,434, i.e. the amount of the previous share capital increase.

7.15 Trade Marks

On the basis of the findings of the legal due diligence:

"The Company has made available to us Domestic Trademark Filing Declaration number 160685/15.01.2002. Such declaration relates to categories 36, 37, 39 and 43 and covers lease of real property, maintenance, building and repair of ships, exploitation of areas for the exhibition of products, transportation of passengers by sea, lease and parking of vehicles and ship harbouring services, respectively. The above trademark was accepted for registration by virtue of resolution number 8841/2002 of the Trademarks Administrative Committee and was filed for publication in the Industrial Property Bulletin, issue number 11 of the year 2002."

7.16 Equity Capital – Share Book Value

The following table presents the equity capital of PPA S.A. and the book value of its shares, on the basis of the Company's financial statements for the period ended December 31, 2002, based on the currently outstanding number of shares. The share book value and the Company's equity capital will not vary as a result of listing, as the public offering relates to the placement of existing shares.

EQUITY CAPITAL – SHARE BOOK VALUE	
	Prior to and Following admission to Athens Exchange (1)
	(In € 000.)
Share Capital	
Number of Shares	25,000,000
Share Nominal Value (In Euro)	2
Share Capital	50.000
Reserves	
Ordinary Reserve	2,200
Special Tax-Free Reserve of Law 2881/2001	61,282
Reserves for income not subject to tax	7,513
Reserve for income taxed in special way	728
Total	71,744
Earnings carried forward	18,232
TOTAL EQUITY CAPITAL	139,975
Restated Equity Capital (2)	122,456
Share Book Value (In Euro)	5.6
Restated Share Book Value (In Euro) (2)	4.9

(1) On the basis of financial statements as at 31.12.2002.

(2) On the basis of 25,000,000 outstanding shares.

It is noted that, as also reported by the legal auditors that conducted the independent legal due diligence on the Company, the share capital of PPA S.A., following the Extraordinary General Meeting of its shareholders of August 7, 2001, is equal to Euro fifty million (€ 50,000,000) and is represented by twenty-five million (25,000,000) shares, of a nominal value of Euro two (2.0) each. The entirety of the shares is owned by the Greek State as sole shareholder.

7.17 Shareholders

The following table presents shareholding interests in the Company before and after admission for listing on the Athens Exchange:

SHAREHOLDERS	PRIOR TO LISTING		FOLLOWING LISTING	
	Number of Shares	%	Number of Shares	%
GREEK STATE	25,000,000	100	18,625,000	74.5%
Investors	0	0	6,375,000	25.5%
Total	25,000,000	100%	25,000,000	100%

It is noted the Greek State, being the current sole shareholder, has undertaken, by way of its letter dated 29.08.2001 and a subsequent letter dated 3.10.2002, to refrain from sales of shares for a period of six months as of the date of admission of the Company for listing on the Athens Exchange. The Greek State shall review its position for the subsequent semester in view of the then prevailing market conditions and shall inform investors timely.

7.18 Company Management and Administration

In accordance with Article 9 of the Company's Articles of Incorporation, as amended by Article 31 of Law 2932/2001, the Company's Board of Directors (BoD) is composed of eleven (11) members, with a five-year term of office.

Specifically, the BoD is composed of: a) five representatives of the State, including the Chairman and the Managing Director, nominated by joint decision of the Ministers of National Economy and Merchant Marine; b) two representatives of the Company's workforce, originating from the two most representative second-tier labor unions, those of employees and port workers, respectively, each nominated by the respective labor union, pursuant to the procedure prescribed in article 6, par. 2 (e) (C) of Law 2414/1996, as supplemented by article 17, par. 1 of Law 2469/1997, within a period of two months as of notice by the Minister of Merchant Marine being given to the respective labor union; c) one director, nominated by the Economic and Social Committee (E.S.C.), originating from bodies relevant with the Company's activities, within a period of two months as of notice by the Minister of National Economy being given to the E.S.C.; d) one representative of the municipality of the Company's place of establishment; and e) two representatives of the shareholders, elected by the General Meeting of shareholders.

The Company's Board of Directors is composed of the following persons:

No.	FULL NAME (Surname/Name)	STATUS	TITLE	RESIDENCE ADDRESS
1.	Theofanis Sotirios, son of Ioannis	Representative of the State	Chairman Managing Director	120, Dodonis Street, Athens
2.	Alexandratos Spyros, son of George	Representative of the State	Director / Deputy Chairman	7, Paparounas Street, Ekali
3.	Mytilineos Evangelos, son of Nikolaos	Representative of the State	Director	9, Eratous Street, Alimos
4.	Balabanidis Stratos, son of Ioannis	Representative of Employees	Director	7, Kallipoleos Street, Keratsini
5.	Kyriakou Petros, son of Constantine	Representative of Port Workers	Director	55, Praxitelous Street, Keratsini
6.	Michas Ioannis, son of Demetrios	E.S.C. Representative	Director / Deputy Chairman	12, Fotiou Korytsas Street, Hymettus
7.	Agrapidis Christos, son of Demetrios	Representative of Municipality of Piraeus	Director	8, Aghiou Orous Street, Piraeus
8.	Dionyssopoulos Dionyssis, son of Demetrios	Representative of the State	Director	25, Pontou Street, Politeia, Kifissia
9.	Stampoulzi Christina, daughter of Zissis	Representative of the State	Director	5, Ts. Karatassou Street, Makrygianni, Athens
10.	Papadopoulou Panayiota, daughter of Demetrios	Representative of the Shareholders	Director	89, Keas Street, Athens
11.	Patsialidis Panayiotis, son of George	Representative of the Shareholders	Director	14, Zach. Papantoniou Street, Aghia Paraskevi

The above composition of the Board of Directors arose as a result of the nomination of each director as identified in the following table, in accordance with the provisions of Law 2688/1999, as amended by Law 2932/2001:

No.	SURNAME/NAME	METHOD OF NOMINATION
1.	<u>Theofanis Sotirios</u>	(a) Joint Decision number 5214.3//01/02 of the Ministers of Economy and Finance and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A.
2.	<u>Alexandratos Spyridon</u>	(a) Joint Decision number 5214.3//01/02 of the Ministers of Economy and Finance and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A.
3.	<u>Mytilineos Evangelos</u>	(a) Joint Decision number 4224.4/10/99 (Government Gazette 1952 B'/27.10.1999) of the Ministers of National Economy and Merchant Marine, for the nomination of representatives of the Greek State in the Board of Directors of PPA S.A., in conjunction with (b) Joint Decision number 2108/31.07.2001 (Government Gazette 115B' 24.08.2001) of the Ministers of National Economy and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A. (c) Joint Decision number 5214.3//01/02 of the Ministers of Economy and Finance and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A.
4.	<u>Balabalidis Stratos</u>	By way of document number 287/8-7-1999 of OMYLE, the Labor Union of permanent employees of PPA S.A.
5.	<u>Kyriakou Petros</u>	By way of document number 367/1-7-1999 of OFE, the Labor Union of Port Workers of PPA S.A.
6.	<u>Michas Ioannis</u>	By way of document under protocol number 26142/DEKO 1087/21-7-1999 of the General Directorate of Public Undertakings and Organizations of the Ministry of National Economy, for the nomination of a representative of the Economic and Social Committee.
7.	<u>Agrapidis Christos</u>	By way of decision number 17/21-1-99 of the Municipality of Piraeus (document under protocol number 671/26.05.99 of the Municipality of Piraeus).
8.	<u>Dionyssopoulos Dionyssios</u>	(a) Joint Decision number 5214.3//01/02 of the Ministers of Economy and Finance and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A.
9.	<u>Stampoulzi Christina</u>	(a) Joint Decision number 5214.3//01/02 of the Ministers of Economy and Finance and Merchant Marine, for the nomination of certain new representatives and the continued effect of the nomination of certain other representatives of the Greek State in the Board of Directors of PPA S.A.
10.	<u>Papadopoulou Panayiota</u>	By way of the resolution dated 27/8/2001 of the Extraordinary General Meeting of shareholders of PPA S.A.
11.	<u>Patsialidis Panayiotis</u>	By way of the resolution dated 27/8/2001 of the Extraordinary General Meeting of shareholders of PPA S.A.

The Board of Directors (BoD) of PPA S.A. was constituted as a corporate body in accordance with the above composition during its meeting held on 08.04.2002.

PPA S.A. is represented before court and out of Court by its BoD. By way of special resolution, the BoD has delegated certain of its powers to Mr. Sotirios Theofanis, Chairman and Managing Director of PPA S.A.

In accordance with the provisions of the Company's Articles of Incorporation (article 12 of Law 2688/1999 - «Powers of the Board of Directors»), the BoD is the highest body of management of the Company, determines its strategy and growth policy, while it also monitors, controls and manages its assets. The BoD resolves on all matters related to the Company, within the Company's objects, with the exception of matters, in relation to which the law or the Company's Articles of Incorporation specify the exclusive competence of other bodies.

Specifically, the BoD may:

1. Conclude loan agreements, provide guarantees, assume obligations, issue bills of exchange, drafts to the order, cheques, vouchers, bonds and other negotiable instruments and securities on the Company's behalf.
2. Grant credits or extend loans to third parties, create encumbrances on movable or immovable property of third parties or accept personal guarantees as surety for the Company's claims in relation to the above transactions.
3. Assume and conduct any commercial or other activity, perform any action and enter into any transaction.
4. Draw up the Strategic Plan (S.P.) and file the same before the Committee of the Parliament each time competent pursuant to the Parliament's Regulations, in accordance with the provisions of Law 2414/1996.
5. Draw up or revise the Business Plan (B.P.) and file the same before the Committee of the Parliament each time competent pursuant to the Parliament's Regulations, in accordance with the provisions of Law 2414/1996.
6. Effect small scale revisions of the Business Plans following their approval, at its own responsibility and in cases of urgency, where such revisions are deemed expedient for the enhancement of the Company's results. At the end of the financial year, the BoD files a report justifying the revisions, together with its annual report.
7. Draws up an annual report including all financial data in relation to targets approved by the Business Plan and the Management Contract. Such report is submitted during the first quarter of each year to the Ministers of National Economy and Merchant Marine and is filed with the Parliament Committee each time competent, pursuant to the Parliament's Regulations.
8. Draws up and submits to the ordinary General Meeting of shareholders the annual budget of the Company.
9. At the end of the financial year, it draws up and submits to the General Meeting of shareholders the Company's annual financial statements, including the annual report, the balance sheet, the profit and loss account, as well as any other data provided for by provisions of general or special application.
10. Convenes the ordinary and extraordinary General Meeting of shareholders, whenever provided by law or the Company's Articles of Incorporation or otherwise deemed necessary.
11. Recommends to the General Meeting of shareholders the items on the agenda for deliberations.
12. Resolves on the establishment of subsidiaries and for the Company's participation in other companies in Greece and abroad, in accordance with Article 3 of its Articles of Incorporation.
13. Resolves on the award to legal entities and natural persons, in Greece or abroad, of contracts for studies, works and or the provision of services.
14. Resolves on the disposal of assets, the lodging of claims and lawsuits, the exercise or waiver of legal remedies, on court settlements and settlements out of court, as well as in relation to the conclusion of loan agreements of any nature, being empowered to create security on the Company's revenues and encumbrances on its immovable property, as security, in whole or in part.
15. Formulates the Company's strategy in relation to competition and approves aspects of cooperation with other undertakings, as well as the entry into special agreements intended to enhance the Company's competitive position in the Greek and international markets.
16. Designates the Company's tariff policy, with due regard to applicable legislation. Approves tariffs of the Company of any nature, in accordance with the rules of the open market enjoying free competition and taking into consideration social criteria, as defined in legislation each time in force.
17. Compiles the Internal Organization and Operation Regulation and the General Staff Regulation, following the opinion of the most representative labor unions of employees and port workers, upon a motion by the Managing Director.
18. Approves the Regulation for the Operation of the Management Council.
19. Decides on the regulations and tariffs that are required for the furtherance of the Company's objects.
20. Represents the Company, both before and out of Court.

The Board of Directors may, by way of special resolution, delegate the right to exercise its powers, in whole or in part, as well as the management, administration and conduct of its affairs and assets to the Chairman, the Managing Director, the Management Council or the General Managers. Lastly, the Board of Directors hires the Company's personnel, with due regard to the provisions of Law 2190/1994 (Government Gazette 28 A').

In accordance with Article 14 of the Company's Articles of Incorporation (Law 2688/1999 - «Managing Director»), the Managing Director heads the Company's departments, manages its operations, makes decisions as required within the framework of provisions governing the Company's operation, the Management Contract, the approved plans and budgets and the Strategic and Business Plan.

In accordance with Article 15 of the Company's Articles of Incorporation (Law 2688/1999, Government Gazette 40, 1.03.1999) a Management Council shall operate within the Company, having as its main mission the coordination and assurance of cohesion of the Company's operations, the resolution of important issues of the Company's current management, the adoption of decisions in relation to procurement or the award of contracts for works, up to the limit each time set by the Board of Directors, the exercise of any other competence delegated by the Board of Directors and the issuance of recommendations to the Board of Directors for the compilation of Regulations and Tariffs. The Management Council is composed by the Managing Director (as Chairman) and the General Managers. The General Managers are high-ranking officers of the Company selected among specialized management officers of the Company's personnel or outside its personnel, who head separate sectors of activity of the Company and attend meetings of the Board of Directors, if specifically invited for that purpose, without being entitled to vote; General Managers may suggest matters within their competence for inclusion on the agenda of the Board of Directors, following a proposal by the Managing Director.

By virtue of resolution number 208/11.9.2002, the Company's Board of Directors resolved on the establishment of a special unit for the performance of the Internal Audit function (Internal Audit Department), in accordance with the provisions of Articles 7 and 8 of Law 3016/2002 and established an Audit Committee of the Board of Directors, which shall supervise the Internal Audit Department's operations; such committee is composed by non executive members of the Board of Directors, namely, Mrs. Christina Stampoulzis and Messrs. Spyridon Alexandratos and Dionyssios Dionyssopoulos.

By virtue of resolution number 47/17.02.2003, the Company's Board of Directors approved the Operating Regulations of the Internal Audit Department.

45 Company employees have been trained in cooperation with the Internal Audit Institute; such employees shall staff the Internal Audit Department.

In any event, the Company undertakes to operate an organized independent internal audit unit, as prescribed by Article 11 of Law 3016/2002, within three months as of admission of its shares to the Athens Exchange, at the latest.

A brief curriculum vitae for each of the Chairman and the individual members of the Company's Board of Directors is set forth below:

Theofanis Sotirios, son of Ioannis

Mr. Theofanis was born in 1959. He studied engineering at the National Metsovian Technical University and continued his studies at post-graduate level at the University of Birmingham, on matters of Environmental Engineering, the Galilee College of Haifa, on port management matters and the Aristoteles University of Thessaloniki, on matters of marine transport and design of port systems.

Mr. Theofanis was an officer of the Ministry of Merchant Marine, with responsibilities on the development and management of the ports of Greece and acted as Head of the Department of Port Planning and Development of the said Ministry. Between November 1999 and April 2002 he held the office of Managing Director of Thessaloniki Port Authority S.A.; as of April 2002, he holds the office of Chairman and Managing Director of PPA S.A.

Alexandratos Spyridon

Mr. Alexandratos was born in 1947. He studied at the Ionidian School of Piraeus and at the Merchant Marine Academy. He is a Merchant Marine engineering officer, having served on ocean freight ships. As of 1972, he owns a family shipping business styled “Apollonia Lines”, mainly active in bulk cargo shipping. As of 2000 he has been Chairman of the Shipping Chamber of Greece and, since 1997, he has been a member of the Board of Directors of the Union of Greek Ship-owners and part of its management panel, in his capacity as treasurer.

Dionyssopoulos Dionyssios

Mr. Dionyssopoulos was born in 1952 and has studied Architecture at the Milan Polytechnic. He works at the Special Works Construction Directorate of the Ministry of Environment, Planning and Public Works, while he also holds the position of consultant to the Minister of Merchant Marine on matters of planning and construction of works. For a number of years, he acted as head of the political bureaus of the Minister of Health and Welfare, as well as of the Deputy Minister of Labor and Social Security.

Stampoultzi Christina

Mrs. Stampoultzi was born in 1966. She studied Law at the Aristoteles University of Thessaloniki and pursued her studies at postgraduate level at the University of Exeter in England, on Commercial and EC Law. She has practiced law at law firms in London and Athens on matters of privatizations, competition, commercial law, capital markets law and financial law. Between 1997 and April 2002 she acted as legal counsel to the General Directorate of Privatizations. As of April 2002, she has been legal counsel of GENIKI Finance.

Mytilinaios Evangelos, son of Nicholaos

Mr. Mytilinaios was born in 1943. He graduated from the Ionidian School. He is Chairman Emeritus of the Piraeus Chamber of Arts and Crafts and Managing Director of Mytilinaios S.A. He participates in the BoD of PPA S.A. in his capacity as representative of the State.

Balabanidis Stratos, son of Ioannis

Mr. Balabanidis was born in 1951. He is a graduate of the Electronics Higher School (KATEE). He is electrician foreman and, since 1975, he has been employed by PPA as head of the gantry crane maintenance and repair team. He participates in the BoD of PPA S.A. in his capacity as representative of employees.

Kyriakou Petros, son of Constantine

Mr. Kyriakou was born in 1957. He is a graduate of the Kavala KATEE, department of Electrical Engineers. He has been employed by PPA since 1988. He is a member of the Board of Directors of the Port Workers Union since 1989 and Chairman of the Union since 2000. He participates in the BoD of PPA S.A. in his capacity as representative of port workers.

Michas Ioannis, son of Demetrios

Mr. Michas was born in 1954. He studied towards the title of Technician – Engineer, with the specialty of Shipbuilder. He has been a member of the BoD of PPA since 1992, in his capacity as representative of the employees. He acted as Deputy Chairman of PPA since 1996 and held the office of Chairman for the periods 9/1996 – 12/1996 and 5/1998 – 7/1998. He is currently Deputy Chairman of PPA S.A. In parallel, he acts as a member of the Waivers Committee of the Social Security Fund and of the Hellenic Center Investments Committee of the Ministry of National Economy, as representative of the National Union of

Workers, Chairman of the Piraeus Labor Center as of 1992 and a member of the Management of the National Union of Workers since 1998. In addition, he is head of the National Union of Workers Special Committee for the 2004 Olympic Games. He is a member of the BoD of PPA S.A. in his capacity as a representative of the Economic and Social Committee of Greece. Mr. Michas was recently elected Prefect of Piraeus.

Agrapidis Christos, son of Demetrios

Mr. Agrapidis was born in 1946. He is a graduate of the Athens University Medical School, where he received his doctoral degree cum laude specializing as Obstetrician and Gynaecologist Surgeon. He is a fellow of the “IASO” Obstetrics Clinic, while he had acted as Director of the Obstetrics Clinic of a Public Prefectural Hospital, Chairman of the Scientific Council and the Disciplinary Committee of the Medical Board. He was Deputy Mayor of Piraeus (during Mr. Andreas Andrianopoulos’ term of office as Mayor) and Chairman of the Piraeus Municipal Council during the period 1989 – 1990. Mr. Agrapidis is now Mayor of Piraeus. He is also a member of the Board of Directors of the “Metaxas” Cancer Hospital. He is a member of the BoD of PPA S.A. in his capacity as representative of the Municipality of Piraeus. Mr. Agrapidis was recently re-elected Mayor of Piraeus.

Patsialidis Panayiotis, son of George

Mr. Patsialidis was born in 1961. He is a graduate of the Mathematics School of the University of Patras and a holder of a post-graduate degree in computer programming. He has been employed by the Commercial Bank of Greece as of 1986; during the period 1995-2000 he was deputy director of the Holargos branch, while as of 2000 he has been Director of the Operations Department of the Nea Ionia branch. In parallel, he has given a series of lectures in the course of educational programs administered by the Commercial Bank, as well as in other seminars, on issues including credit control, short-term and long-term credits and banking operations.

Papadopoulou Panayiota, daughter of Demetrios

Mrs. Papadopoulou was born in 1956. She is a graduate of the Faculty of Law of the Aristoteles University of Thessaloniki and a lawyer before the Supreme Court. She had acted as Chairperson of the Organization of Labor Residence, a Member of the Insurance Employees Ancillary Social Security Fund and a member of the Board of Directors of the Court Building Financing Fund. In the past, she had acted as Member of the Board of Directors of the Athens Bar Association and President of the Association of Trainee Lawyers of Athens.

During the financial year 2000, the remuneration paid by the Company to members of its BoD, in such capacity, were equal to € 352 per session, up to a maximum of two (2) paid sessions per month. In addition, the remuneration paid to the Chairman of the Board of Directors in 2000 in connection with his duties as chairman, was approximately € 88,272, while it rose to € 93,000 and € 67,600 for the years 2001 and 2002, respectively.

Of the members of the Board of Directors, Messrs. S. Theofanis, S. Balabanidis and P. Kyriakou had an employment or agency relationship with the Company; for the year 2001, Mr. H. Psarftis should be added to the above persons (ex Managing Director). During the year 2001, the above three persons received payments of an aggregate amount of approximately € 143.8 thousand, with a maximum fee per person of approximately € 93 thousand. In the year 2002, the corresponding aggregate amount rose to approximately € 147,900, with a maximum compensation of approximately € 64,800. In the year 2003, the above amounts are expected to remain at the same levels.

In aggregate, the payments to members of the Board of Directors, including fees payable to the Chairman and the Managing Director, in relation to their participation in the Board of Directors, were € 143,800 and € 102,700 in 2001 and 2002, respectively.

A brief curriculum vitae for each of the key managers of the Company (per department) is set forth below:

Petros Adamis, son of Michail (*Head of the Directorate of Works*)

Mr. Adamis was born in 1944. He studied Architecture at the National Metsovian Technical University. He has been employed by PPA since 1976. He has acted as Head of the Departments of Building Works Studies and Works Maintenance. He has been Head of the Directorate of Works as of February 2001.

Demetrios Artikis, son of Ioannis (*Head of the Directorate of Finance*)

Mr. Artikis was born in 1944. He studied Business Administration at the Piraeus Economics University. He was hired by PPA in 1968. He has acted as Head of the Directorate of Port Facilities, while he has been designated as substitute of the PPA Head of Services (currently the Managing Director), as of 1997. He has held the office of Head of the Directorate of Finance since 1995.

Ventouris Pericles, son of Christos (*Head of the Container Terminal Directorate*)

Mr. Ventouris was born in 1937. He studied electrical engineering at the Stuttgart Polytechnic in Germany. He has been employed by PPA since 1976. He has acted as Head of the Procurement Directorate and Head of Mobility, Maintenance and Repair of Mechanical Equipment. He has held the office of Head of the Container Terminal Directorate since 2000.

Helen Glava – Karavanou, daughter of Nicholaos (*Head of the Procurement Directorate*)

Mrs. Glava – Karavanou was born in 1949. She is a graduate of the Law School of the Athens University and has been employed by PPA since 1973. She has acted as head of the 2nd and 3rd departments of the Free Zone, the Container Terminal Directorate, the Free Zone Directorate, etc. She has been Head of the Procurement Directorate since April 2000.

Athanassios Efstathiou, son of Ioannis (*Head of Free Zone Directorate*)

Mr. Efstathiou was born in 1946. He studied Economics at the Athens Economics University (ASOEE). He has been employed by PPA as of 1968. He has acted as head of department at the Mooring, Statistics, Import and Container Terminal departments and held the position of director at the Procurement, Control, IT and Container Terminal Directorates. He has been Head of the Free Zone Directorate since 1999.

George Zervas, son of Demetrios (*Head of the Equipment Mobility, Repair and Maintenance Directorate*)

Mr. Zervas was born in 1950. He studied Electrical Engineering at the National Metsovian Technical University. He has been employed by PPA since 1980. He has acted as Head of the Department of Materials and Tools of the Mechanical Equipment Directorate and of the Planning and Specifications Department of the Procurement Directorate. As of 1994 he was Head of the Repair and Construction Department of the Equipment Mobility, Repair and Maintenance (EMRM) Directorate, which he heads since 2000.

Pavlos Zotos, son of Andreas (*Head of Stevedoring Directorate*)

Mr. Zotos was born in 1946. He studied at the Piraeus University and has been employed by PPA since 1967. He has acted as head of various departments, including the Coordination Department of the Stevedoring Directorate and the Procurement and Tendering Department of the Procurement Directorate, etc. He has been Head of the Stevedoring Directorate as of April 2001.

Margarita Bakirtzis, daughter of Kosmas (*Head of the Administration Directorate*)

Mrs. Bakirtzis was born in 1948. She studied Public Administration at the Panteion University and has been employed by PPA since 1973. She has acted as Director at the Procurement Directorate, as well as Head of Department, at the departments of Permanent Staff, Material Management and Permanent Staff Lost & Found. He has been Head of the Administration Directorate since 1994.

Kyriakos Perimenis, son of Ioannis (*Head of Port Facilities Directorate*)

Mr. Perimenis was born in 1944. He studied at the Panteion University and received postgraduate education on port matters at the Universities of Felixstowe (England), Delft (Netherlands) and N.York (U.S.A.). He has been employed by PPA since 1968. As of 1987 he acts as Deputy General Manager, while he heads the Port Facilities Directorate.

Panayiotis Petroulis (*Head of the Development and Information Technology Directorate*)

Mr. Petroulis was born in 1949. He is a graduate of the Athens Economic University, specialized in information systems analysis and project management. He is Head of the Development and Information Technology Directorate and project manager of the P-MIS project.

Irini Ferlemi (*Head of the Control and Audit Directorate*)

Mrs. Ferlemi was born in 1948. She is a graduate of the Athens Economics University and has acted as head of the Control and Audit Directorate of the Company as of February 2003.

Artemissia Heilaris (*Head of Education Directorate*)

Mrs. Heilaris was born in 1950. She is a graduate of the Panteion University of Athens. She holds the office of Head of the Education Directorate since June 2002.

The aggregate remuneration of the above members of management of the Company for the year 2001 reached the amount of approximately € 497 thousand, with a maximum remuneration per person of approximately € 47 thousand and a minimum remuneration of approximately € 39.93 thousand. In the year 2002, aggregate remuneration rose to approximately € 542,800, with a maximum remuneration of approximately € 52,800 and a minimum remuneration of approximately € 37,600 per individual.

In year 2003, aggregate remuneration rose to approximately € 603,100, with a maximum remuneration of approximately € 62,500 and a minimum remuneration of approximately € 56,600 per individual.

It is noted that, other than payment of the remuneration stated above and any transactions specifically identified above, there has been no business relationship or transaction during the past three years and the current year, between the members of management, administration and supervision of the Company and the Company itself.

The postal address of members of the Company's Board of Directors and its members of management is "Piraeus Port Authority S.A., 10 Miaouli Coast, P.O. Box 80065, Post Code 18538, Piraeus".

It is noted that none of the members of the Board of Directors or key members of management of PPA S.A. has been convicted for acts of dishonesty or financial crime, nor is any of the above persons involved in pending litigation related to insolvency, criminal activity or prohibition of the conduct or exercise of:

- business activity;
- securities transactions; or
- the profession of investment advisor, officer of banks and insurance companies, securities underwriter, securities firm manager, etc.

None of the members of the Board of Directors and the members of key management of the Company are relatives, by marriage or by blood, up to and including the second degree.

All members of the Board of Directors and members of key management of the Company have the Greek citizenship.

7.19 Participations of members of the BoD and main shareholders in the Management or the capital of other companies

The following table sets forth the participations of members of the Company's Board of Directors in the management and/or share capital of other companies:

MEMBER OF THE BOARD OF DIRECTORS	COMPANY IN WHICH HOLDING EXISTS	POSITION AT THE BOARD	PERCENTAGE OF SHAREHOLDING IN CAPITAL
Stampoultzis Christina	TANEO S.A.	Director	-
Alexandratos Spyridon	Agricultural Insurance	Director	
	Olympiakos S.A.	Director	
	Scientific Editions LLC	-	61%
	Apollonia Spirit Shipping Limited	Sole Director	99%
	Apollonia Star Shipping Co Limited	Sole Director	99%
	Apollonia Lines	Sole Director	100%
	Grain Transport Company Limited	Director	50%
Mytilinaios Evangelos	Mytilinaios S.A.	Managing Director	95%

(-) These members of the Board of Directors of PPA S.A. do not hold a share of the capital of other companies.

It is noted that the sole shareholder of the Company is the Greek State, which maintains a large number of shareholding interests in various companies and Legal Entities of Public Law. These holdings are not listed in this Offering Memorandum, due to their great number.

Chapter 12 "Affiliates" describes in detail the participations of members of the Company's Board of Directors in the share capital of other companies.

The members of the Company's Board of Directors declare that they do not possess holdings in excess of 10% in companies in which they participate, nor do they participate in the management of other companies.

In accordance with a relevant letter of the Company's management "Other than as described in the relevant Chapter, no business relationship exists and no agreement or contract is in place between the Company and the companies in which members of the Company's Board of Directors or the Company's main shareholders have a shareholding interest or act as directors."

7.20 Organizational Structure and Description of the Company

The key element of the Company's organizational structure is the functional specialization per directorate and per department. Toady, PPA S.A. operates 12 Directorates, as well as 4 independent units which report to the Company's Managing Director.

Specifically, the directorates and their respective responsibilities are the following:

Directorate of Stevedoring

The Directorate of Stevedoring is composed of 7 departments and has the primary responsibility of ensuring the regular allocation, traffic, loading and unloading of cargo, as well as being responsible for the procedures of ship harboring, mooring and berthing within the port. The following additional activities are included in the competence of the Directorate of Stevedoring: (a) the traffic and

disembarkation of passengers, baggage and vehicles; (b) the assessment and collection of charges; (c) the stevedoring, administrative and financial operations of the Silos; (d) the compilation, amendment and revision of regulations and tariffs of PPA S.A. for the allocation of port worker groups and the respective assessment and collection of charges; and (e) the resolution of issues related to damages.

Directorate of the Free Zone

It includes 5 departments and has the primary aim of ensuring rationalized exploitation of the outdoors and covered warehousing areas and the administration of transit and storage traffic of goods entering or exiting the Free Zone. The Directorate of the Free Zone is in essence responsible for the management of conventional freight, notwithstanding the fact that activities related to other types of cargo (e.g. container traffic) may take place within the free zone.

Directorate of Port Facilities

The Directorate of Port Facilities includes 4 departments and provides port facilities to users and customers of the port, either by leasing floating vessels owned by PPA S.A. for various activities, either by planning the docking of ships, or by arranging for the provision of water and telephony connections to ships. This Directorate is responsible for the rational operation and management of the Company's floating docks and the assessment and collection of all revenues related to its activities.

Directorate of the Container Terminal

The Directorate of the Container Terminal includes 3 departments and is responsible for the management of containers within the port. Specifically, the Directorate's tasks include the following: (a) the planning of the loading, unloading, traffic and storage of containers; (b) the provision of appropriate machinery and staff; (c) the accounting and financial monitoring of all activities related to the Directorate; (d) the maintenance and repair of the technical and mechanical equipment deployed at the Container Terminal; (e) the responsibility for the appropriate use and operation of the Container Terminal; (f) the designation of berthing sites and of ship priority; and (g) all other preparatory work and infrastructure required for contained traffic.

Directorate of Equipment Mobility Repair and Maintenance (EMRM)

The EMRM Directorate operates 5 departments and is responsible for: (a) the mobilization (staffing) of land mechanical equipment, excluding the respective equipment of the Container Terminal Directorate; (b) the maintenance of land mechanical equipment, excluding the respective equipment of the Container Terminal Directorate; (c) second-degree maintenance of sea mechanical equipment, upon notice of the Directorate of Port Facilities; (d) the performance of all electric or mechanical construction and repairs in relation to land mechanical equipment and buildings and outdoors areas of the Company, upon notice of the unit responsible for its use and exploitation; and (e) the planning or regular maintenance and repair of machinery and facilities, the processing of primary data on the Directorate's own activities and the recommendation to the Procurement Directorate for the timely procurement of machinery, vehicles and electromechanical equipment. It is noted that first-degree maintenance of sea equipment is effected by the Directorate of Port Facilities.

Directorate of Administration

It includes 3 departments and has the primary responsibility of managing all administrative affairs of PPA S.A. and monitoring the monitoring and implementation of Collective Labor Agreements. Specifically, the main tasks of the Directorate of Administration are the following: (a) the monitoring and management of human resources issues, per directorate, activity and specialty; (b) the management of relationships with labor unions and the compilation of collective labor agreements with the Company's staff; (c) the monitoring and implementation of existing collective labor agreements; (d) the review of labor legislation and court case-law and the provision of information to the Company's management; (e) the resolution of special labor issues; and (f) the secretarial support of the Company's management.

Directorate of Finance

The Directorate of Finance includes 4 departments and is responsible for the financial and accounting monitoring of the operation of PPA S.A. and the compilation of the annual budget and annual report. Specifically, the responsibilities of this Directorate include: (a) the keeping of books and records (general accounting, analytical accounting, fixed assets, accounts payable, accounts receivable, etc.); (b) compilation of the balance sheet and the annual report; (c) monitoring and payment of taxes; (d) planning of collections and payments and treasury operations; (e) monitoring of loan agreements; (f) monitoring of customer guarantees, credits and collections; (g) collections on sales; (h) payroll operations and their accounting monitoring; (i) compilation and monitoring of the enforcement of the budget; and (j) financing to and international financial relationships of PPA S.A.

Directorate of Procurement

The Directorate of Procurement includes 5 departments and has the following responsibilities: (a) the planning of procurement of equipment of any nature; (b) the compilation of requests for proposals and the conduct of procurement tenders; (c) the management of equipment and material under delivery; (d) the management of concessions of areas within the port area; (e) the management of parking spaces; (f) the collection of revenue from the above activities; and (g) the supervision of cleaning of the land and sea areas of the port.

Directorate of Development and Information Technology

The Directorate of Development and Information Technology includes 6 departments and is responsible for: (a) the design and application of methods and procedures for the development and improvement of performance of the Company; (b) the costing of services provided by the Company; (c) the collection and processing of statistical data; (d) the design and implementation of modern information technology processes; and (e) the maintenance and repair of existing equipment.

The Directorate is mainly engaged in the support of currently available applications and the support of development of the new P-MIS system.

Directorate of Works

The Directorate of Works includes 4 departments, responsible for the planning, tendering, design and performance of works within the Port, as well as for the monitoring, acceptance and maintenance of such works. In addition, this Directorate is responsible for the surveying and landmarking of areas within the Port Zone.

Directorate of Control and Audit

The mission of this Directorate, which includes 3 departments, is to review (in advance and ex post) the legality and completeness of accounting, administrative and financial activities, as well as to supervise the business functions of the Company.

Directorate of Education

The Directorate of Education includes 3 departments and is responsible for the identification of educational needs of the Company's personnel, its vocational training, as well as for the planning and conduct of training and educational programs for the Company's workforce.

Independent Departments / Units

- ***Press and Publicelations Department***

The responsibilities of this department include: (a) the provision of information to the public and persons in positions of authority, by any appropriate means, in relation with the objectives and the activity of the Company; (b) the development of good relationships with parties effecting transactions with the Company; (c) the review and management of the Company's publications; and (d) the tracking of Press releases.

- ***Preservation Department***

This department is responsible for the implementation of measures for the safe custody and protection of cargo, equipment, installations and in general assets of PPA S.A. or third parties within the Company's responsibility from risks of fire, theft or damage.

- ***Legal Department***

The activities of the legal department relate to: (a) the defense of the Company's interests before Courts of any jurisdiction, as well as out of Court; (b) the issuance of opinions in response to requests from the Company's various departments; (c) the review and research of applicable laws and Court case-law; and (d) the review of draft laws, presidential decrees, regulations, etc. proposed by the Company, as well as of contracts of any nature with third parties.

- ***Emergency Coordination Department***

This department is responsible for the coordination of activities of the Company's various directorates for the implementation of measures in relation to the organization of its resources in cases of transition from peace to war, as well as for the handling of emergency situations.

As regards the Management Council provided by Article 8 of Law 2414/1999, it is noted that Article 15 of the Company's Articles of Incorporation provides the establishment and operation of a Management Council, as an independent advisory body. The members of the Management Council include the Managing Director, as chairman, and the General Managers.

The General Managers are high-ranking officers of the Company selected among specialized management officers of the Company's personnel or outside its personnel. They head separate sectors of activity of the Company and attend meetings of the Board of Directors, if specifically invited for that purpose, without being entitled to vote; General Managers may suggest matters within their competence for inclusion on the agenda of the Board of Directors, following a proposal by the Managing Director.

The expediency of nomination of General Managers is a matter for the discretion of the Board of Directors, which designates their number, responsibilities and remuneration. General Managers may be nominated and revoked at any time by the Board of Directors, upon the Managing Director's recommendation.

In accordance with Article 16 of the Company's Articles of Incorporation, the Management Council is responsible for the following:

- a) The coordination and cohesion of the Company's operations.
- b) The resolution of important issues of current management.

c) The adoption of resolutions on matters of procurement or the award of contracts for works, within the limits set each time by the Board of Directors (no such resolution of the Board of Directors is currently in force).

d) The exercise of any other power delegated by the Board of Directors

e) The recommendation to the Board of Directors on the issuance of necessary Regulations and Tariffs.

Article 15 of the Company's Articles of Incorporation provides for the establishment and operation of a Management Council, which is composed by the Company's Chairman or Managing Director as chairman and General Managers. Due to the restrictive wording of the said provision, the Management Council cannot be constituted in accordance with the provisions of Article 8 of Law 2414/1996, which provides that Managers may be act as members of Management Councils in the absence of designated General Managers.

For the above reason, the Company's Board of Directors has established, by virtue of resolution number 302/2002, a working group styled "Management Coordination Committee of Heads of Directorates" which is intended to meet the needs of coordination of the Company's administrative function and ensure necessary cohesion until the establishment of the Management Council.

The said working group convenes regularly on a weekly basis and addresses matters of day-to-day administrative operations and management that require an interdisciplinary approach; in that sense, the working group emulates successfully the function of the Management Council, with the exception of the latter's decisive authority. Following the selection of General Managers, the Management Council will be appropriately constituted and commence its operations.

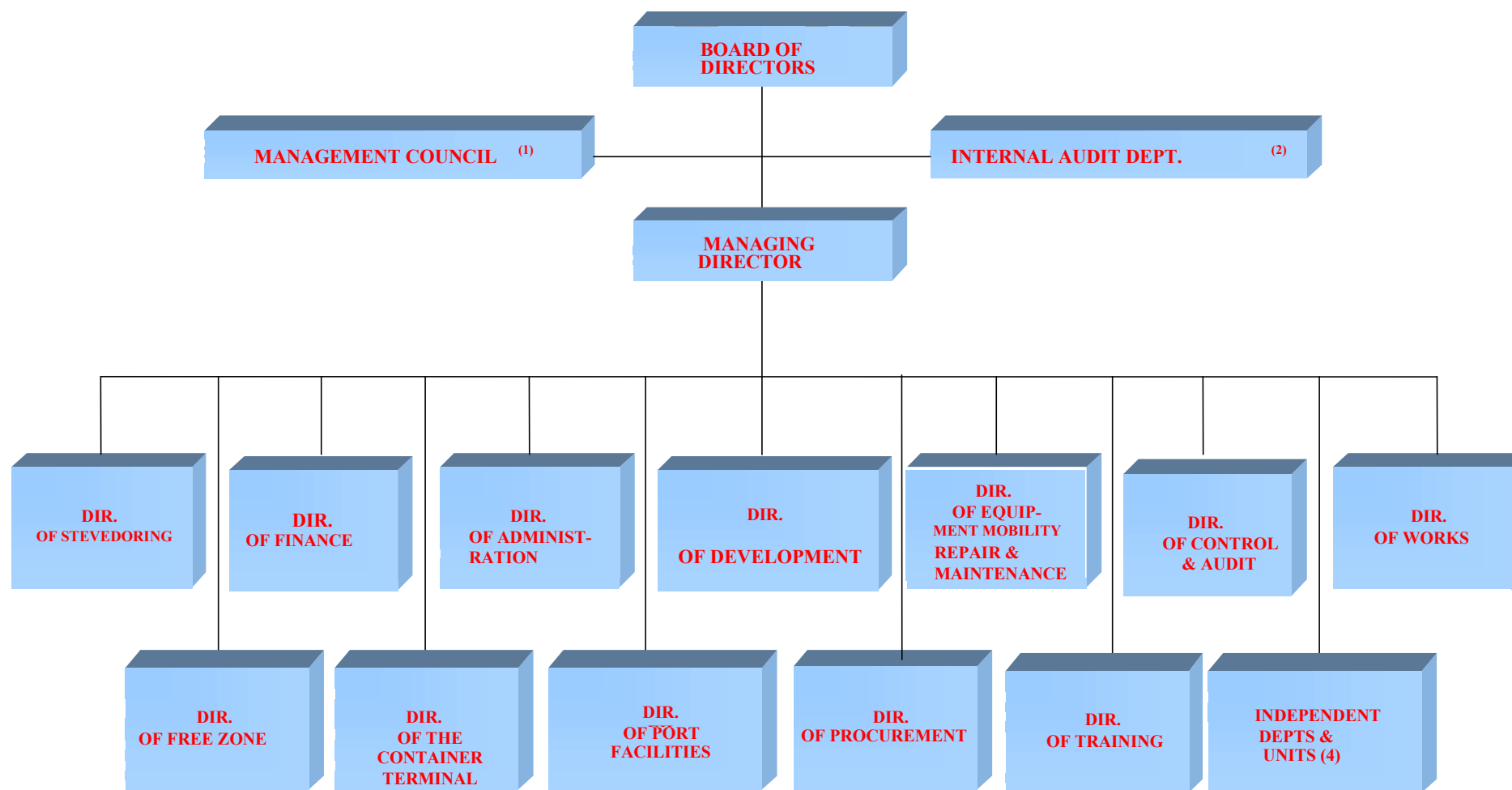
In connection with the Company's Internal Audit System, PPA S.A. undertakes to establish a reliable Internal Audit system; with the assistance of the Lead Arrangers, such Internal Audit system will be certified by the Company's designated chartered auditor – accountant.

The Company undertakes to establish:

- a shareholders' department; and
- a corporate notices department,

as of its admission to the Athens Exchange, in accordance with Articles 13 and 14 of decision number 5/204/2000 of the Capital Markets Commission.

The Company's Organigram is presented below:



(1) The establishment of the Management Council has not taken place yet. However, a contest has been launched for the recruitment of 3 General Managers. The contest is at the stage of evaluation.

(2) The Company undertakes to establish an internal audit department within 3 months as of its listing on the Athens Exchange.

Under the new conditions of its operation as a corporation under Law 2688/1999, the Company is to draw up a Regulation of Internal Organization and Operation. Preliminary deliberations among the Company's management have commenced to that end.

7.21 Personnel

The personnel employed by PPA S.A. includes:

a) The permanent employee staff that was employed on a basis of an employment relationship of Public Law at the time of transformation of the PPA into a corporation (societe anonyme), i.e. until May 1, 1999. The employment relationship of this category of staff has been automatically transformed into one of Private Law; however, members of this group retain their permanence, on the basis of article twelve of Law 2688/1999. This type of employment relationship may be terminated on the grounds applicable to Public Employees.

b) The employee staff that was employed by PPA at the same above date by virtue of an employment relationship of Private Law. The employment relationship of members of this group remains unchanged following the transformation and may only be terminated on grounds attributable to the employee's conduct.

Both above categories relate to salaried employees, the remuneration of which was determined by way of the First Collective Labor Agreement of PPA S.A.'s Salaried Staff, executed in accordance with Law 2688/1999 on April 17, 2000 and valid for the period 2000-2001. On October 23, 2002, a new Collective Labor Agreement was executed, which applies to the period 2002-2003. The Collective Labour Agreement specifies the salary tiers and the basic levels of remuneration of the above categories of employees, as well as the allowances payable to the Company's employees. It is expressly provided that the allowances determined by the Collective Labour Agreement dated 17.04.2002 shall be made available to such categories of the Company's employees as the Company's Managing Director shall determine. The same Collective Labour Agreement sets forth that the Company intends to grant to all employees covered by its provisions an amount equal to 1% of their payroll entitlement, excluding overtime pay, towards their additional health care and hospitalization insurance coverage. Payment of such additional amount shall commence upon the execution of a relevant group insurance policy by the Company with the applicable insurer.

c) The personnel on salaried mandate arrangements or under retainer, which applies to the Company's lawyers, to which the Code of Legal Professionals applies.

Their remuneration is determined on the basis of the above Code, in conjunction with the applicable Collective Labor Agreement of PPA S.A.'s salaried staff, upon a resolution of the Company's Board of Directors.

d) The workers staff, remunerated on a per diem basis and is distinguished between port workers in general (Supervisors – Foremen – Permanent Port Workers – Trainee Port Workers) and workers and barge guards.

The employment relationship of this category of staff was and remains one of private law employment for an indefinite term, following the transformation of the Company; the remuneration of workers is determined by way of Collective Labor Agreements. In accordance with Law 2688/1999, the levels of remuneration of members of this category of staff that were employed at the time of the Company's transformation may not be lower than the annual amount calculated on the basis of the per diem rate payable to workers of the 28th social security class, as each time adjusted.

The remuneration of this category of staff continues to be paid today in accordance with the Collective Labor Agreements that were in force prior to the Company's transformation, as adjusted by the percentage increases stipulated in National General Collective Labor Agreements. The first Collective Labor Agreement with this category of workers has not yet been signed.

A framework of guidelines proposed to form the basis of the new Collective Labour Agreement has been approved on a bilateral level (Management and Labour Unions) and the final execution of such agreement is expected to take place within the coming months.

e) The Company's staff hired following the transformation, which shall be employed on the basis of an employment agreement of private law.

7.1.1 Development of Personnel

On December 31, 2001, the Company employed 1,696 persons. The development of the Company's staff per level of education is presented as follows:

ANALYSIS OF PERSONNEL PER LEVEL OF EDUCATION					
	1998	1999	2000	2001	2002
UE ¹⁸ Financial Management	147	141	138	132	133
UE Information Technology	17	17	15	15	15
UE Statistics	1	1	1	1	1
UE Medical					
UE Specialized Medical	2	2	2	1	1
UE Dentists	1	1	1	1	1
UE Engineers	32	32	30	28	27
UE Translators – Interpreters					
UE Legal Counsel	7	7	7	8	8
Total	207	201	194	186	186
UE Personnel of Presidential Decree 317/02 (Scientific Partners of Managing Director)					3
Total					3
TE ¹⁹ Administrative – Accounting	17	18	16	18	19
TE Technol. Applications	30	32	30	27	26
TE Information Technology					
TE Seamen (Temporary)	14	16	16	16	16
TE Nurses	2	2	2	2	1
TE Telecoms (Temporary)	2	4	4	4	4
TE Sanitation (Temporary)	2	2	2	2	2
Total	67	74	70	69	68
SE ²⁰ Administrative – Accounting	271	247	240	222	215
SE Computer Personnel	34	34	31	29	28
SE Typists Stenographers					
SE Nurse Assistants	1	1	1	1	1
SE Technicians	626	641	616	603	650
SE Gardening– Floriculture	1	1	1	1	1
SE Seamen	40	38	38	37	39
SE Telephone Operators	2	2	2		
SE Guards (Temporary)	2	1	1	1	1
SE Spotters – Weighters (Temporary)	1				
SE Translators (Temporary)	2	2	2	1	1
SE Rev. Machinery Operators (Temporary)					
SE Foremen	38	37	49	34	33
Total	1,018	1,004	981	929	969
ME ²¹ Janitors	10	8	8	7	6
ME Guards	30	22	18	14	13
ME Seamen	37	26	16	10	18
Total	77	56	42	31	37

¹⁸ UE: University Education

¹⁹ TE: Technical Education

²⁰ SE: Secondary Education

²¹ ME: Mandatory Education

ME Port Workers	635	552	502	469	436
Total	635	552	502	469	436
ME Barge Workers	13	12	9	9	8
Total	13	12	9	9	8
ME Barge Guards	7	5	5	3	2
Total	7	5	5	3	2
GRAND TOTAL	2,024	1,904	1,803	1,696	1,709

The above table indicates a gradual reduction of the number of employees of all categories throughout the 1998-2002 period. Such reduction is mainly attributable to the retirement of staff and the non recruitment of new employees for the staffing of vacant positions. In 2002, 88 new employees were recruited, of which 58 staffed technical positions, in order to support the Company's increased operating requirements.

7.1.2 Staff Remuneration

The following table presents staff remuneration for the period 1998-2001:

PPA S.A. STAFF REMUNERATION					
	1998	1999	2000	2001	2002
	(in € 000)	(in € 000)	(in € 000)	(in € 000)	(in € 000)
Permanent Employee Payroll ⁽¹⁾ :					
Regular Remuneration	17,806	18,791	28,957	28,635	32,409
Extraordinary Remuneration	6,976	7,364	7,993	9,772	12,844
Total Permanent Employee Payroll	24,782	26,154	36,950	38,407	45,253
Workers' Wages ⁽²⁾	22,867	18,877	20,275	20,406	24,120
Total Remuneration	47,649	45,031	57,225	58,813	69,373
Employer contributions to Social Security Funds					
Regular and temporary staff	1,660	3,439	4,573	4,849	4,861
Port Workers	6,691	5,359	5,398	5,357	5,616
Total employer contributions	8,351	8,798	9,972	10,206	10,477
Grand Total	56,001	53,829	67,197	69,019	79,850

* Any discrepancies in sums are attributable to the rounding of individual amounts

⁽¹⁾ PPA S.A. permanent employees at the 12 Directorates and 4 independent Departments/Units

⁽²⁾ Personnel with an indefinite term employment relationship of private law

The total remuneration of the Company's staff (ordinary and extraordinary, plus employer contributions) presented an average rate of change equal to 10.5% for the period 1998-2000. However, in 2000 an increase of the grand total was reported at 24.8% in comparison with 1999 (27.1% for total remuneration and 13.3% in relation to employer contributions). In accordance with the Company's management, the increase of staff remuneration, in conjunction with the reduction of the number of employees during 2000 is attributable to: a) the collective labor agreement that was signed on 1.4.2000, with retroactive effect as of 1.1.2000; and b) the increase of the Company's turnover, in conjunction with the reduction of the Company's active staff, which resulted in the increase of overtime work. In 2001 the grand total noted an increase of 2.7% compared to 2000 (2.8% for total remuneration and 2.4% in relation to employer contributions).

7.1.3 Personnel Training

The following table presents an analysis of the personnel employed by the Company during the past three years, by education level:

PERSONNEL EDUCATION LEVEL					
	1998	1999	2000	2001	2002
WORKFORCE:					
Higher Education (H/E)	207	201	194	186	189
Technological Education (T/E)	67	74	70	69	68
Secondary Education (S/E)	1,018	1,004	981	929	969
Mandatory Education (M/E)	732	625	558	512	483
Total Employees	1,369	1,335	1,287	1,215	1,263
GRAND TOTAL	2,024	1,904	1,803	1,696	1,709

Professional training of staff has been systematic since 1991, when the Company's Directorate of Education was first established, with the aim of providing continuing education to the Company's staff, as well as to that of other ports, on matters related to the operation and management of ports. Education is provided exclusively by specialized staff of PPA S.A., under the Managing Director's approval.

Staff education specifically includes the following:

- The staging of seminars, attended by a large number of employees, related to the productive use of computers, methods of modern management and accounting, tax and finance issues.
- Foreign language courses.
- Visits of officers of the Company at other ports within and outside Greece, for the exchange of know-how, as well as attendance of international conferences.

It should be noted that PPA S.A. has entered into a cooperation agreement with the port of Rotterdam, which covers the needs of instruction of its staff on issues of port management, as well as on specialized issues related to port financing, organization and marketing.

The imminent completion of the implementation procedures of the Port Management Information System requires the training and retraining of the largest possible number of employees of the Company in 21st century technologies, so as to enhance further the efficiency of operation of the Port of Piraeus.

The management of the Piraeus Port Authority takes the view that human resources represent the most important asset of the Company and has set a high priority to the education and training of the Company's staff.

7.1.4 Personnel Recruitment

All of PPA S.A.'s personnel is recruited in accordance with the provisions of Law 2190/94, as each time in force, with the exception of legal personnel engaged on a retainer basis, which is hired in accordance with the provisions of the Code of Legal Professionals.

7.1.5 Applicable Collective Labor Agreements

Following the transformation of PPA S.A. and specifically on April 17, 1991, the Company entered into a Collective Labor Agreement with its employees, in accordance with the provisions of Law 2688/1999, which applied to the 2000-2001 two-year period. On October 23, 2002 a new Collective Labor Agreement was executed, in relation to the 2002-2003 two-year period and applies to the Company's employees.

The Collective Labor Agreement mainly sets forth the categories of staff on the basis of remuneration, the salary tiers and the basic salaries, the hours of normal work, issues on overtime and staff leaves. The Company's management declares that care shall be taken so as to ensure the timely entry into force of the new collective labor agreement that shall apply for the period following the expiration of the term of the current one.

As regards the Company's workers, the first Collective Labour Agreement provided for by Law 2688/1999 has not yet been signed. A framework of guidelines proposed to form the basis of the new Collective Labour Agreement has been approved on a bilateral level (Management and Labour Unions) and the final execution of such agreement is expected to take place within the coming months.

7.1.6 General Staff Regulation

The fourth article of Law 2688/1999, under the title "Internal Organization and Operation Regulation of the Company – General Staff Regulation" contains paragraph 2, which provides the following: "Within one year as of the publication hereof (i.e., by March 1, 2000) the Board of Directors compiles the General Staff Regulation (GSR) of PPA S.A., which is approved by joint decision of the competent Ministers and is published in the Government Gazette, following the opinion of the two most representative second-tier labor unions of employees and port workers, respectively." By way of the above regulation the Company is intended to ensure the application of standing regulations and provisions (Code of Public Servants, in relation to pre-existing staff employed on the basis of an employment relationship of Public Law, Presidential Decree 410/88 in relation to pre-existing staff employed on the basis of an employment relationship of Private Law, Port Workers Labor Regulation and Regulations applicable to workers and barge guards).

Until today, the above procedure has not been completed. The management of PPA S.A. has prepared a draft GSR and aims at securing the consenting opinion of labor unions.

The draft General Staff Regulation mainly addresses the following matters: (a) the categories and distinctions of the Company's staff; (b) the conditions and procedure of recruitment, as well as matters related to the execution of employment contracts; (c) staff registries; (d) staff councils and sanitary committees; (e) employee rights and obligations; (f) disciplinary breaches and sanctions; (g) time limits of work and leaves; (h) staff training; (i) terms of employment; (j) remuneration and benefits; (k) staff transfers, deployment and secondment; (l) termination of employment relationship; (m) employee and workplace health and safety; (n) personnel evaluation.

The legal auditors that conducted the independent legal due diligence on the Company note the following: *"The ninth article of Law 2688/1999, under the title "Internal Organization and Operation Regulation of the Company – General Staff Regulation" contains paragraph 2, which provides the following: "Within one year as of the publication hereof, the Board of Directors compiles the General Staff Regulation (GSR) of PPA S.A., which is approved by joint decision of the competent Ministers and is published in the Government Gazette, following the opinion of the two most representative second-tier labor unions of employees and port workers, respectively."*

The above provision prescribes the compilation of PPA S.A.'s General Staff Regulation within one year as of the date of publication of Law 2688/1999, i.e., by March 1, 2000. However, entry into effect of the said Regulation requires the implementation of the above-described procedure, which is structured into phases and may be especially time-consuming. In addition, the finalized General Staff Regulation is intended to reflect the outcome of collective bargaining between the Company's management and staff, while it is subject to the approval of the State, whereby the respective text shall assume normative force.

The above provision is special in comparison with general provisions of labor law governing the compilation of Staff Regulations. In accordance with such general provisions, the drafting of Staff Regulations, which govern various aspects of labor relationships, is mandatory in the case of

undertakings employing more than seventy employees. Within three months as of commencement of their operation, undertakings file their Staff Regulation to the Labor Inspection Office of the competent Prefecture for approval. Their compilation is effected by way of joint decision of employers and labor unions or employee councils. Any breach of the respective provisions entails administrative sanctions, consisting in fines of up to Euro 8,804 and the temporary or definitive discontinuation of operation of specified productive processes or sections of the undertaking for a period of time designated in accordance with the law. In each case, the gravity of the breach and the level of fault, etc. are taken into consideration for the determination of sanctions.

The above provision of Law 2688/1999 is special, compared to the provisions generally applicable to Staff Regulations, and prescribes a specific procedure applicable to the compilation of the Regulation, as well as a respective period, which appears to be indicative. No specified sanctions are prescribed and no express reference is made to the above – mentioned general provisions. One may conclude, on the basis of interpretation, that the process must be completed within a reasonable period of time. The excess of such reasonable period of time may entail the above administrative sanctions, in which case the existence of fault of any party obstructing the process shall be investigated.”

In accordance with Ministerial Decision number 5212/04.01.2003 (Government Gazette (14B/19.1.2003), the term applicable for the compilation of the General Staff Regulation has been extended until December 31, 2003.

The General Staff Regulations have already been compiled and incorporate the comments made by the Ministry of Domestic Affairs, Public Administration and Decentralization on a comparable instrument adopted by the Thessaloniki Port Authority. The General Staff Regulations shall be presented to the Company's Board of Directors for approval.

The Lead Arrangers adopt the opinion set forth above.

7.22 Rulebook of Obligations to the Consumer (R.O.C.)

The Rulebook of Obligations to the Consumer has been adopted by way of a decision of the Board of Directors, dated September 11, 2001 and has been filed for approval to the Ministry of Development.

On the basis of the R.O.C., PPA S.A. has designated the obligations it undertakes vis-à-vis its customers, as well as the compensation and the claims procedure applicable in cases of breach by the Company of such obligations.

PPA S.A. is not bound by the R.O.C. in the following cases:

- Force majeure, unforeseen circumstances and events (e.g., strikes, adverse weather conditions, unforeseen breakdowns or irregularities, etc.).
- Dependence of the Company's efforts for the furtherance of its undertakings on the competence or action of third bodies or authorities (e.g., Ministries, the Police, Regional Authorities, etc.).
- In each case where the matter lies beyond the competence of PPA S.A.
- Voluntary waiver of the passenger or citizen from his/her request or claim.
- Demonstrably ungrounded request or claim by any passenger or citizen.

The Company implements the procedures laid down in the R.O.C.

7.23 Investments (1998 – 2002)

The following table presents, on the basis of accrual data of the Company, the major investments made by the Piraeus Port Authority in port works, mechanical equipment, technical works and designs, during the period 1998-2002:

CATEGORY OF INVESTMENT	COST OF INVESTMENT		
	1998	1999	2000
	(in € 000)	(in € 000)	(in € 000)
PORT WORKS	3,513	4,464	710
TECHNICAL WORKS/DESIGNS	8,408	7,428	5,638
EQUIPMENT	5,535	9,321	11,351
TOTAL	17,456	21,212	17,699

On the basis of the annex to the Company's balance sheet, the Company's investments for the years 2001 and 2002 are analyzed as follows:

CATEGORY OF INVESTMENT	2001	2002
	(in € 000)	(in € 000)
BUILDINGS, FIXTURES & TECHNICAL WORKS	1,326	2,199
MACHINERY, TECHNICAL INSTALLATIONS & OTHER MECHANICAL EQUIPMENT	197	9,412
MEANS OF TRANSPORT	3,155	2
FURNITURE & OTHER EQUIPMENT	591	522
WORKS UNDER CONSTRUCTION	5,776	11,926
TOTAL	11,045	24,061

The above investments mainly related to:

- Works for the remodelling and conversion of the Central Port into a passenger port (Vassileiadis area);
- Port works for the transformation of the Central Port into a passenger port (Palataki area);
- Road works at various sites of the Port land zone;
- Completion of works for the repair of earthquake damages at the Eleftherios Venizelos container terminal;
- Study for the repair and reinforcement of the Port of Hercules warehouse building;
- Other studies in progress (6 projects);
- Watering – sewerage project;
- Reconstruction and repair of German wharf at Perama;
- Replacement of destroyed berthing locks;
- Construction and installation of prefabricated buildings at various sites of the port area;
- Technical installation for fencing and security of various sites within the port area (container terminal, car terminal, etc.);
- Tarmac surfacing;
- Procurement and commissioning of new gantry cranes nos. 13 and 14;
- Works on railtracks used for operation of gantry cranes;
- Purchases of other spare parts, utensils and other mechanical equipment;
- Electronic equipment, telecommunications and security equipment for the Port area;
- Procurement of information technology equipment, telecommunications material and other equipment.

The following works have been financed by the Cohesion Fund:

- 85% of the cost of the ring road;
- 100% of the cost of designs and studies compiled by the Company, including the business plan, the study on the railroad connection of Neo Ikonio with the Thriassion Plain and the environmental study on the entire Port; and

- The “Works for the Reformation and Conversion of the central Port into an Exclusively Passenger Port – Port Works of Palataki Area – Phase B’”, by the provision of Community funding for works of the period between 1.09.1999 and 31.12.2001, up to a maximum percentage of 80% and up to the maximum amount of Euro 9,696,970; and
- The completion of Pier II at the Neo Ikonio container terminal was funded by funds of the Cohesion Fund, the European Economic Area, as well as by a loan extended by the European Investment Bank.

It is noted that, in accordance with the provisions of Law 2932/2001, the valuation by the Committee under Article 9 of Codified Law 2190/1920 did not include the buildings, installations, technical and port works among the assets of PPA S.A.

8. Legal Framework

PPA S.A. was created as a result of the transformation into a corporation (societe anonyme) of the Legal Entity of Public Law under the trade name “Piraeus Port Authority” (PPA), effected by virtue of Law 2688/1999 (Government Gazette A’ 40/1.3.1999). Law 2688/1999 incorporates the Company’s initial Articles of Incorporation, as well as provisions governing the special framework within which the Company operates, together with transitional provisions as to pending litigation, labor issues and matters relating to the social security of the Company’s employees. Law 2688/1999 was subsequently amended and supplemented by the provisions of Article 15 of Law 2881/2001 and the thirty-first, thirty-fifth and thirty-sixth articles of Law 2932/2001.

The Piraeus Port Authority was established as a Legal Entity of Public Law by virtue of Law 4748/1930, which was restated by Compulsory Law 1559/1950 and ratified by Law 1630/1951, as subsequently amended and supplemented. The Piraeus Port Authority had succeeded the Piraeus Port Fund, which was established by way of Law GFA’/1909 re: “the Piraeus Port Fund and its administration”.

On the basis of the findings of the Law Firm that conducted the independent legal due diligence on the Company: “Following the admission of its shares for trading on the Primary Market of the Athens Exchange, PPA S.A. shall continue to be governed, as to its corporate operations, by the provisions of Law 2688/1999, as amended and in force, which constitutes the special institutional framework applicable to the Company’s operations, as well as by Codified Law 2190/1920, as amended and in force, in relation to matters on which no special provisions are in force.” The above opinion is confirmed by the provision of the first Article of Law 2688/1999, as in force.

8.1 Basic Provisions of Law 2688/1999

Law 2688/1999, which transformed the PPA into the corporation under the trade name “Piraeus Port Authority S.A.”, as in force, includes the following basic provisions in relation to the wider framework which governs the operation of PPA S.A.:

8.2 Special Institutional Issues

8.1.1 *Public Undertaking – Law 2414/1996*

PPA S.A. is governed by the provisions of Law 2414/1996, which introduce a special status for the operation and management of public undertakings operating in the legal form of corporations (societes anonymes). The provisions of Law 2414/1996, as supplemented in the given case by those of special law 2688/1999, as amended and in force, present the following main particularities in comparison to provisions generally applicable to corporations:

- (a) The procedure for the nomination of members of the Board of Directors includes the direct nomination of what initially used to be three members and has now been increased to five members (following the enactment of Law 2932/2001), of the Company’s Board of Directors, including the Chairman and the Managing Director, by the Greek State, for a five-year term of office, as well as two members of the Board of Directors as representatives of the workforce, one member as representative of the Municipality of Piraeus and one member as representative of the Economic and Social Committee (Article 9 of the Articles of Incorporation of PPA S.A.).

- (b) The law provides for the conclusion of a Management Contract between the Greek State, on the one hand, and each of the Chairman and the Managing Director, on the other hand, whereby such officers, who are nominated by the State, shall undertake to manage the Company with the aim of implementing the Business Plan and the Strategic Plan.

In addition, on the basis of Article 26 of the Company's Articles of Incorporation, contained in the third Article of Law 2688/1999, the Company is obligated to compile, pursuant to article 3 of Law 2414/1996, as each time in force: a) the Strategic Plan (S.P.), which sets forth, within the framework of the government's general policies, the major long-term objectives for the fulfillment of the Company's objects and the methods for furthering such objects; b) the Business Plan (B.P.), for a period of three (3) to five (5) years. The Business Plan elaborates in detail the targets of the Strategic Plan and the methods for their realization for each of the years covered.

The Strategic Plan and the Business Plan are submitted by the Company's Board of Directors to the Ministers of National Economy and Merchant Marine, are approved by joint decision of the said Ministers and are submitted to the Committee of Parliament each time being competent, in accordance with the Parliament's Regulations.

The Business Plan may be revised, in the same manner applicable for its initial compilation and approval. In cases of urgency, the Board of Directors may, if it deems necessary for the improvement of the Company's efficiency, effect small-scale revisions of the Business Plan, at its own responsibility.

The obligation to submit the Strategic Plan and the Business Plan does not affect the Company's obligation to submit the budget, the annual report, the profit and loss account and any other data provided by provisions of special or general application, including in particular the annual financial statements provided by Codified Law 2190/1920.

The legal auditors that conducted the independent legal due diligence on the Company note that: "On the basis of the data made available to us in the course of our investigation, the Strategic Plan and the Business Plan that had been approved by the previous management of PPA S.A. have been duly submitted to the jointly competent Ministers. On the basis of the data made available to us, there appears to be no ratification of the above plans."

It is noted that, on the basis of Article 22 of Law 2733/1999, public undertakings that have placed with investors shares representing 25% up to 49% of their share capital, cease to be subject to an obligation to compile a Strategic Plan and a Business Plan. In such case and in accordance with the third paragraph of the said Article, the strategic and business plans already approved remain in force and may be amended by way of a resolution of the Board of Directors, approved by the General Meeting of shareholders.

- (c) The law provides for the operation of a Management Council as a special body of the Company, which is composed of those General Managers of the Company as may be selected by the Board of Directors, as well as of the Managing Director. The Management Council primarily has competence to opine on various matters; the Board of Directors may delegate certain decisive powers to the Management Council, at its discretion.

8.1.2 *Legal Framework applicable until Transformation into an S.A.*

Of the provisions that were in force prior to the entry into force of Law 2688/1999, the following are noted:

(a) Article 4, paragraph 9 of Compulsory Law 1559/1950, as supplemented by Article 2, par. 2 (b) of Law 1630/1951, which provides that all stevedoring and transport activities within the Port of Piraeus area, including those relating to ships not berthed along the wharfs of the Port, shall be directly undertaken by the PPA, through its own staff. The same article provides that, until such point in time as the [then] PPA would become capable of performing independently the entirety of the services therein described, the PPA may subcontract the provision of such services to other parties (natural persons or legal entities) by special resolution of its Board of Directors, subject to the approval of the [then] Minister of Public Works. This ability of transitional nature is no longer of practical use, as PPA S.A. has now independently and fully undertaken the provision of port services, including notably stevedoring services, within the Port of Piraeus. However, the initial provision of Law 1559/1950 on the conduct of stevedoring activities directly and through own means has remained in force, even following the enactment of Law 2688/1999. It is noted that the Company's objects, as specified in Article 3 of its Articles of Incorporation (full text incorporated in the third article of Law 2688/1999), includes the administration and exploitation of the Port of Piraeus (as well as other ports), as well as the provision of port services and the installation, management and exploitation of port facilities of any nature. Special issues on the management, administration and exploitation of the Port of Piraeus are set forth in the Concession Agreement dated February 13, 2002, between PPA S.A. and the Greek State, as a condition for the grant of the right of use and exploitation of the concession assets.

(b) Article 3 of Law 1559/1950 specified certain privileges in favor of the PPA. Such privileges remain in force following the enactment of Law 2688/1999, with the exemption from income tax. Based on the wording of Law 1559/1950, such privileges are the following:

«a) Any attachment of and, in general, enforcement measure on the assets of the Authority is prohibited. Similarly, any conservatory attachment or garnishment in the hands of the Authority as a third party is prohibited; such prohibition is without any exception with respect to merchandise or other goods in custody within the Piraeus Free Zone and, in respect of other assets, is only allowed in cases of adjudication of alimony in favor of spouses, descendants and ancestors, as per the provisions of law in force.

b) Provisions of Civil Procedure law, stay of litigation laws and provisions of other laws of special or general application relating to the suspension of enforcement or the postponement of forced sales shall not apply in connection with claims of the Authority against its debtors.

c) All provisions in general specifying short-term prescription periods applicable to claims of whatever nature against the State shall apply in relation to claims against the Authority.

d) The Authority is only deemed to be at default, in relation to claims against it of whatever nature, as of the time of service of a relevant lawsuit. Lawful and default interest accruing to the debit of the Authority in connection with any obligation of the Authority shall be calculated at the rate of 6% per annum; in all other respects, provisions for the calculation of interest on obligations of debtors of the State shall apply.

e) Lawsuits against the Authority in relation to loss of or damage to cargo shall be inadmissible if served on the Authority following the lapse of a three-month period as of the time when the plaintiff took delivery of the cargo or was howsoever informed of the existence of any damage or loss. The above term may not be suspended on the basis of any provisions of general or special application.

f) In verification of the acceptance or delivery of merchandize by the Authority, a receipt is drawn up, which is signed by the warehouse-keepers or other competent officers of the Authority and the party effecting or taking delivery of the merchandize or its representative or, in the event such latter parties have been lawfully invited for that purpose but fail to present themselves or to countersign the receipt, by the Inspector of the Authority; such receipt is a public document and constitutes full proof of the facts evidenced on its face. Any liability of the Authority in relation to loss of or damage to goods delivered to commences on the date of acceptance and ceases on the date of delivery, as evidenced by the said receipt.

g) *The Authority is not subject to any taxes, duties, charges, contributions, claims and levies in general, now existing or applicable in the future, in favor of the State, regional authorities and any third party whatsoever. The contracts, transactions and dealings in general between the Authority and third parties, as well as the documents, receipts, writs, reports or applications of the Authority are not subject to stamp duty. The Authority is similarly not subject to any customs duties and any other corresponding or ancillary charges or fees, default withholdings or any other payments in favor of the State or any third party, in connection with the import of machinery, supplies and materials of any nature intended for port works, port facilities and, in general, the operation, maintenance and exploitation of the Port of Piraeus.*

h) *Any private land required for the operation and exploitation of the Port of Piraeus is subject to expropriation in the public benefit, on the basis of the provisions each time applicable to the expropriation of land for public works.*

i) *All cargo and chattels unloaded within the area of the Authority or stored at the outdoors or covered warehousing areas of the Authority are subject to a lien, which secures, by way of priority over any other creditor, payment to the Authority of all amounts due in connection with the loading, unloading, acceptance and custody of such cargo or chattels, until such date as they are reclaimed and removed”.*

It is specifically provided that the above provisions override any other provisions of laws of general or special application. It is further provided that the PPA is exempt from the obligation to pay any fees, charges, duties or contributions in relation to the exercise or filing of any legal remedy or writ, or in connection with any procedural act or hearing before any Court or judicial or other authority.

8.1.3 Other Issues

The following special legal issues which relate to PPA S.A. are elaborated in other sections of this Offering Memorandum:

- (a) The procedure for the valuation of assets of PPA S.A., in accordance with Law 2688/1999 and the method of definitive determination of its share capital.
- (b) The notion and the positioning of the port area and the port land and sea zones.

8.3 Concession Agreement

8.1.1 Legal Framework

Article thirty-five of Law 2932/2001 (Government Gazette A 145) provides the conclusion, between the Greek State, as represented by the Ministers of Finance and Merchant Marine and PPA S.A., of a concession agreement for the grant of the right of use and exploitation of the land, buildings and facilities within the Port Land Zone, subject to certain concessions to the Hellenic Organization of Tourism, which have been held to produce legal effect, as is, for instance, the case with the concession of the Zea area Marina (Legislative Decree 4544/1966).

The above article provides, in paragraph 1, that the concession agreement is to specify, among other matters:

- (a) The term of the concession of the right, as well as the possibility and the term of any extension, provided that the aggregate concession period (initial term, plus any extensions) may not exceed one hundred (100) years;
- (b) the concession fee payable, which may be specified as a percentage of the entirety or part of the Company's income;

- (c) the specific subject-matter of the above right, as well as the manner for and the terms applicable to its exercise;
- (d) the tariff policy of PPA S.A. on an annual basis, as well as its obligations, especially in relation to the provision of a full range of services, the maintenance of facilities and the preservation of the functionality and safety of port infrastructure;
- (e) the grounds for and the procedure applicable to the revocation of the right, as well as provisions on any other sanctions to be imposed in the case of breach of the terms of the concession agreement or the provisions of applicable law;
- (f) paragraph 2 of the above Article stipulates that the Concession Agreement may include an obligation of the Company or the Greek State to effect certain investments within the Port Land Zone of the Port of Piraeus, details on the funding of such investments, as well as provisions enabling the realization of equity investments by PPA S.A. or third parties in relation to the activities of Article 3 of the Articles of Incorporation of PPA S.A..

Paragraph 4 of the same Article abolished item b' of paragraph 1 of Article 5 of the Articles of Incorporation of PPA S.A. (full text incorporated in the third article of Law 2688/1999); as a result the value of the right of use and exploitation of the land, buildings and facilities within the Port Land Zone of the Port of Piraeus was exempted from the process of valuation of the Company's assets.

The following were stipulated by way of the transitional provisions of paragraphs 5 and 6 of the thirty-fifth Article of Law 2932/2001:

- (a) that, until the conclusion of the Concession Agreement, PPA S.A. may exercise the right of use and exploitation of the land, buildings and facilities within the Land Port Zone of the Port of Piraeus, on the basis of standing provisions; this is intended as a reference to the provisions of Compulsory Law 2344/1940, as in force, which establishes the respective right in favor of Port Funds. As a result, PPA S.A. is deemed to have succeeded in the rights and obligations of the Piraeus Port Authority in relation to the use and exploitation of its assets, as a global successor, until the time of execution of the Concession Agreement; and
- (b) that the provisions of Law 2932/2001 do not affect the validity of contracts for the concession of use of land, buildings and facilities previously entered into by PPA S.A. with third parties (legal entities and natural persons).

In furtherance of the thirty-fifth Article of Law 2932/2001, the Greek State and PPA S.A. have entered into a Concession Agreement, dated February 13, 2002. A summary of the material terms of the Concession Agreement is presented below. The entire text of the Concession Agreement is attached to this Information Memorandum as annex, while additional commentary is included in the "Investment Risk Factors" section.

The Concession Agreement between the Greek State and PPA S.A. includes the following basic provisions:

8.1.2 *Subject – Matter of the Agreement – Legal Basis*

The subject matter of the agreement is the concession by the Greek State to PPA S.A. of the exclusive right of use and exploitation of the land, buildings and facilities of the port land zone of the Port of Piraeus, as well as the stipulation of the specific terms of concession and of the respective obligations of the parties.

The Agreement was entered into in furtherance of the thirty-fifth Article of Law 2932/2001 (Government Gazette 145/July 27, 2001), which enables the entry into such agreement, in conjunction with standing legislation governing the port land zone as a communal public asset, including specifically the provisions of Compulsory Law 2344/1940, as in force, those of Legislative Decree 444/1970 and Legislative Decree 377/1974, as well as standing legislation on PPA S.A. (including notably Law 2688/1999, as in force).

The entry into the Concession Agreement was approved in advance, as a related-party transaction, by the Extraordinary General Meeting of the shareholders of PPA S.A., dated August 7, 2001, in accordance with Article 23A of Codified Law 2190/1920, as in force.

8.1.3 *Concession – Description of Concession Assets*

By way of the Concession Agreement, the State concedes to PPA S.A. the exclusive right of use and exploitation of the land, buildings and facilities of the port land zone of the Port of Piraeus, for the contractual term and subject to the specific terms of the agreement.

For the purposes of the Concession Agreement, the right of use and exploitation shall extend to the following concession assets, subject to article 2.4 thereof:

- (a) To all covered or uncovered areas of land of the port land zone of the Port of Piraeus, as such areas have been designated by existing zoning and planning, subject to certain concessions of areas of the land zone of the Port of Piraeus to the Hellenic Organization of Tourism, which have been held to produce legal effects, to third party rights on port works and subject also to the special provisions of Article 7 of the Concession Agreement in relation to works related to the hosting by Greece of the 2004 summer Olympics (hereinafter the “Port Land Zone”);
- (b) To all buildings, technical works, port works, slitting works, enhancements, internal road connections and road accesses, the internal rail network, underground and above the ground supply networks, annexes and fixtures of the Port Land Zone, located at any vertical level above or below the terrestrial footprint of the Port Land Zone and existing at the time of execution of the Concession Agreement;
- (c) To the extensions of areas and works;
- (d) To the Port sea zone, as determined by Compulsory Law 2344/40 and Law 1559/1950, as amended and in accordance with the special terms prescribed therein.

The Greek State has undertaken to cause the issuance of all administrative acts required for the codification of existing normative acts and/or for the definitive designation of the borders of the Port Land Zone, within a term of two years as of the execution of the Concession Agreement.

By way of exception, the concession assets under the Concession Agreement do not include the following:

- (i) The buildings and facilities which are used for the needs of public services, undertakings and organizations, as specifically provided by standing legislation, including specifically Article 21 of Compulsory Law 2344/1940, as in force. Within a term of three months as of execution of the Concession Agreement, PPA S.A. has undertaken to compose a Committee for surveying and representing on appropriate topographic diagrams all the areas and facilities used by public services, undertakings and organizations. In addition to the above, the following areas of the Port Land Zone are excluded from the concession:

- (a) On the Vassileiadis Coast, a four-story warehouse, as well as an adjacent stone warehouse, on a total area of approximately 21,708 square meters, together with the corresponding waterfront, which shall be utilized for hosting the operations of various services of the Ministry of Merchant Marine;
- (b) At the Fishermen's port (PPC area) a total area of 2,600 square meters
- (c) At the Ampelakia bay of the island of Salamina, the entire land area between the Panayiotakis shipyards (northern limit) and the Bekris shipyards (southern limit), together with the corresponding waterfront;
- (d) A land zone of an area of 19,000 square meters, at the Salamina Warrior Tomb area; and
- (e) Areas to be designated at the discretion of PPA S.A. within the zones of the Municipalities of Drapetsona and Keratsini, for the participation in business and social activities, jointly with regional authorities, private undertakings and the State.

In accordance with the Company, the topographical diagrams (Annex B') provided for by Article 2 of the Concession Agreement, have been finalized and have been signed by PPA S.A. and the competent Ministers.

(ii) The sections of the land and sea area of the port that are required from time to time for reasons of manifest need in the interests of national security of the country and public order, for the stationing or housing of troops of the Greek Armed Forces and the harboring and berthing of ships of the Port Police or the Navy, following notice to PPA S.A., which may express an opinion as to the designation of the most appropriate and safe berthing site.

(iii) The sections of the Port Land Zone with regard to which a reservation is stipulated under item (i) above (including any expansions of such sections), subject to the understanding that, upon the lapse of the applicable term or upon the subsidence of conditions justifying such reservations, the right of use and exploitation shall automatically extend to such sections (including any expansions of such sections).

The above concession shall extend automatically in relation to the assets specified in Article 3 of the Concession Agreement. The Concession Agreement provides that an extension of the concession may only relate to:

(i) Any expansion of the Port Land Zone, as may be effected by means of the normative acts of the government provided for by legislation in force, including any buildings or facilities constructed on the area of any such expansion;

(ii) All banking, landfill and slitting works effected from time to time in accordance with applicable law, which represent extensions of the Port Land Zone to the direction of the sea, as well as to any works or facilities constructed thereupon. PPA S.A. shall have the right of use and exploitation of Pier III, to be constructed at Neo Ikonio, as well as of the new car terminal under construction at the Charcoal Wharf area, on the same terms applicable to the concession of existing facilities.

(iii) The new buildings, port works, road and railroad infrastructure works within the Port Land Zone and any additions and enhancements that arise in accordance with the terms of the Concession Agreement; and

(iv) Sections of the Port Land Zone.

The extended application of the Concession Agreement to the above shall occur automatically, without any adjustment of the concession fee being required, provided that the following cumulative conditions are met:

- (i) All lawful procedures and formalities have been followed and all licenses and permits required from time to time in connection with the performance of respective works have been obtained; and
- (ii) All respective works have been included in the works planning procedure of Article 7 of the Concession Agreement or represent maintenance or repair works which constitute contractual obligations of PPA S.A., in accordance with the terms of the Concession Agreement.

In relation to the areas under concession, the Board of Directors of PPA S.A. decided, on the basis of resolution number 190/28-6-02, to provide by concession the following sectors of the Port Land Zone of PPA S.A. to the Municipalities of Drapetsona and Keratsini:

A sector of a total area of 16,325 square meters on the waterfront between the ring road and Drapetsona, to the Municipality of Drapetsona; and

A sector of a total area of 830 square meters at the Fishermen's Port, to the Municipality of Keratsini; this sector is adjacent to the area of 2,600 square meters that was provided to the same Municipality on the basis of the Concession Agreement dated February 13, 2002, between the Greek State and PPA S.A.

Both above concessions are valid until December 31, 2022 and were effected on the basis of the reciprocity of relationships between PPA S.A. and the two Municipalities, with the aim of enhancing the quality of life of citizens of the two communities, while furthering the proper and efficient operation of the Port of Piraeus, which constitutes a major financial resource in the area.

8.1.4 Right of Use and Exploitation

The right of use and exploitation of the concession assets consists in the power of PPA S.A., throughout the term of the concession, to possess, use and exploit the Port Land Zone, the Buildings and the Facilities, together with any extensions thereof, in line with the objective of the concession, which is mainly the furtherance of the mission of the Port of Piraeus; PPA S.A. undertakes to exercise this right in a manner directly relevant to port activities, for the support of operations and initiatives which directly favor the provision of port services and facilities.

In the course of exercise by PPA S.A. of the right of use and exploitation of the concession assets, PPA S.A. must take into account the following criteria, by order of precedence:

- (a) the protection of national security, as well as of public order and safety;
- (b) the National Port Policy, as each time designated by the competent State authorities, in accordance with the provisions of Law 2932/2001;
- (c) the protection of safety of navigation, the safety of port users and the health and safety of PPA's workforce;
- (d) the protection of the environment;
- (e) the provision, within the area of the Port of Piraeus, of the entirety of port services and facilities that are expected to be available at a modern port, taking into account the Port's international activity and strategic location, under the express undertaking that the abolition of currently available services shall be subject to the express prior approval of the State;
- (f) the support of national and regional economy and the facilitation of domestic and international trade; and
- (g) ensuring the financial viability and profitable operation of PPA S.A.

8.1.5 Term

The Concession Agreement has been entered into for a definite term of forty (40) years, commencing on the date of its execution and expiring on the corresponding date of the year 2042. The initial term of the concession may be extended, once or successively, by written agreement of the parties and a corresponding amendment to Article 4.1. of the Concession Agreement, subject to the maximum ultimate term provided for by law. The contracting parties shall commence deliberations in relation to a possible extension of the term of the Concession Agreement, five (5) years prior to the expiry of its term, as

initially set or subsequently extended, at the latest.

8.1.6 Concession Fee

The concession is subject to payment of a concession fee by PPA S.A. to the State. Such concession fee is calculated as follows:

In relation to each of the three (3) first years of the term of the Concession Agreement, which shall be deemed to correspond to the respective financial years of PPA S.A. (for purposes of calculation of the concession fee only), it has been agreed that the concession fee shall be equal to one percent (1%) of the aggregate annual consolidated income of PPA S.A. for the given year, excluding extraordinary income, previous year income and income from treasury operations. The above percentage rate shall be automatically adjusted to two percent (2%), following the lapse of the third concession year, to be applied on the same basis of calculation. Consolidated income shall include the income of undertakings of any legal form in which PPA S.A. participates, weighted per the percentage of participation of PPA S.A. in their capital, irrespective of whether PPA S.A. is under an obligation to consolidate or may effectively consolidate the financial data of such undertakings for accounting purposes.

The concession fee shall be subject to certain further adjustments and increases during the initial term of the concession, as follows:

- a) in the case of any physical expansion of the concession assets, primarily intended or actually used for Other Purposes (i.e., purposes which are not exclusively port-related), by PPA S.A. or any third party; such expansions require the express approval of the State and entail an increase of the concession fee, to be agreed by the parties on a case by case basis.
- b) in the event of actual use and/or exploitation of existing buildings and facilities primarily for Other Purposes, either by PPA S.A. or by any third party, which also requires the express approval of the State, in accordance with Article 3.2 of the Concession Agreement and entails an increase of the concession fee, to be decided by the parties on a case by case basis.
- c) in the event of renegotiation of the Concession Agreement.

8.1.7 Concession Asset Deterioration / Damage / Maintenance

PPA S.A. is responsible for and bears the cost of regular preventive maintenance of the concession assets and any additional works and facilities, such as to ensure the capability of uninterrupted servicing of port users, the safety of navigation, the users and the workforce and, in general, the smooth and unhindered operation of the port.

8.1.8 Construction of Works

As a rule, PPA S.A. shall have the initiative for planning works. By way of exception, the State may assume the initiative in relation to national-scale works or works related to the National Port Policy. PPA S.A. may not invoke its rights under the Concession Agreement to inhibit the construction of national-scale works, unless and to the extent justified by the concession objectives, as set forth by order of precedence in the Concession Agreement.

In the course of construction of works, PPA S.A. shall be the awarding authority, with the exception of national-scale works, which shall be funded at the responsibility of the State. In such latter case, the State shall delegate to PPA S.A. all powers associated with the compilation of designs and studies, the conduct of tenders and the supervision of performance of works (competences of the Supervising and Instructing Authority), in accordance with applicable legislation on public works, while the State shall retain the powers of the awarding authority and bear the respective cost.

In the course of the performance of works, in general, PPA S.A. shall obtain, procure and maintain in force all licenses and permits required in each given case (including the compliance with formalities under Article 7 of the Concession Agreement and the approvals prescribed under the second Article of Law 2688/1999) and shall implement all necessary measures for the preservation of safety of users of the Port of Piraeus. PPA S.A. shall abide by the provisions of law applicable to contracts for works, including those governing the award of contracts (and the procedures applicable to tenders), to the safety of users and the workforce of PPA S.A., as well as to the appropriate safety marking of construction sites and accesses thereto. Performance of works shall take place in accordance with the provisions on public works, until the Works Regulation of PPA S.A. is approved in accordance with applicable law.

All contracts for works shall be included in the Investment Program of PPA S.A., which shall be compiled by PPA S.A., each time for a five-year term, and shall be elaborated on an annual basis, by means of Annual Works Programs (AWPs). Upon approval of the Investment Program, the State shall be deemed to have undertaken to provide the portion of State funding provided for in the Investment Program and to have assumed a corresponding binding obligation. In the case of self-financed works, the PPA S.A. shall be deemed to have been bound in a corresponding manner.

The State shall contribute to the funding of national-scale projects, for the furtherance of the mission of the Port of Piraeus. Parties may enter into separate agreements in relation to works related to the 2004 Olympics.

8.1.9 *Enhancements*

Title to all works, enhancements, additions and expansions of the Port Land Zone, the buildings and the facilities shall automatically devolve to the State.

New works for which the procedure of Article 7 of the Concession Agreement was followed, as well as additions, enhancements, reconstructions and repairs of any nature to buildings and other facilities and network infrastructure effected by PPA S.A. during the term of the Concession Agreement shall qualify as New Investments, to the extent financed by PPA S.A. or debt capital repaid by PPA S.A. At the time of expiration or termination of the Concession Agreement, PPA S.A. shall be entitled to an indemnity payable by the State, of an amount equal to the value of New Investments, net of accrued depreciation. Such accrued depreciation shall be calculated on the basis of the depreciation rates used for tax purposes from time to time.

The estimated value of New Investments (net of depreciation) as anticipated at the time of termination of the Concession Agreement and discounted at present value (the “Final Present Value of New Investments, Net of Depreciation”) may be set off, wholly or in part, against the concession fee that will be payable during the final five (5) years of the concession term. In the case of such setoff, the State shall be partly discharged from its obligation described in the previous paragraph and PPA S.A. shall be partly discharged from its obligation to pay the corresponding amount of the concession fee. Any calculations required for purposes of set-off shall be made by PPA S.A. and shall be subject to final adjustment and settlement upon termination of the Concession Agreement. Any disputes as to the calculation of the Final Present Value of New Investments, Net of Depreciation shall be resolved in accordance with the calculation procedure by a mutually agreed chartered auditor, as prescribed in Article 5.6 of the Concession Agreement.

The Concession Agreement provides that, upon its termination or expiration, PPA S.A. shall be entitled to remove, detach and retain any enhancement or extension elements that may be legally subject to a separate right of ownership. The State may, in its absolute discretion, retain the said enhancement or extension elements, in whole or in part, to the extent these are deemed necessary for the operation of the Port of Piraeus (in the State’s judgment), subject to payment to PPA S.A. of a cash consideration equal to the book value thereof, net of depreciation, as at the time of termination or expiration of the Concession Agreement.

8.1.10 *Obligations of PPA S.A.*

In the course of exercise of the right of use and exploitation, PPA S.A. shall be under an obligation to exercise the level of care and diligence required by the strategic, social and business objectives of the concession.

8.1.11 *State Inspections*

Irrespective of any inspections each time provided by applicable law and the Concession Agreement, the State may effect regular inspections of the Port of Piraeus, through its designated officers, such as to monitor the compliance of PPA S.A. with its obligations stemming from the Concession Agreement.

8.1.12 *Obligations of the Greek State*

Throughout the term of the concession, the Greek State is under an obligation to extend to PPA S.A. all necessary assistance for the furtherance of the objectives of the concession, within the limits of applicable national and EU legislation.

8.1.13 *Force Majeure*

Neither party shall be liable in relation to a failure to perform their respective obligations under the Concession Agreement, to the extent such failure is attributable to events or circumstances qualifying as force majeure.

8.1.14 *Termination*

The Concession Agreement may be terminated only by the State and only for serious cause, consisting in the breach of a material term of the Concession Agreement.

8.1.15 *Rights Non Transferable*

The rights granted to PPA S.A. by way of the Concession Agreement are stated to be non transferable, in whole or in part. This limitation does not inhibit the powers of PPA S.A. to conclude further concession or lease agreements in relation to the concession assets, to the extent specifically provided by the Concession Agreement.

8.1.16 *Renegotiation*

The terms of the Concession Agreement may be subject to renegotiation, in whole or in part, either in the cases where an additional concession fee is provided pursuant to its terms, or in the case of material change of circumstances, under Article 388 of the Greek Civil Code.

8.1.17 *Dispute Resolution*

Any dispute, difference or challenge between the State and PPA S.A. arising out of or relating to the Concession Agreement shall be resolved as follows, depending on its nature: In the event the dispute is of a technical nature, it shall be resolved by a panel of technical experts, composed of three members, being qualified engineers, graduates of a Greek or equivalent status foreign University. Each contracting party shall be entitled to nominate one member of the panel, by notice addressed to the other party. In the event of non timely nomination of a panel member by either party, such member shall be designated by the Hellenic Technical Chamber (HTC), together with the third member of the panel, in accordance with the procedure administered by the HTC, upon the application of either party.

The above panel must issue a report of findings within a maximum period of three (3) months as of the date of acceptance by each panel member of its nomination. The findings of the panel shall be binding on both parties. However, each of the parties may submit the same dispute for resolution before Courts, in as described in the following paragraph, within a terminal period of thirty (30) days.

Any dispute, difference or challenge which is either of a non technical nature or is of a technical nature, but has not been conclusively resolved by the technical panel as per the previous paragraph, shall be resolved by the Courts of Piraeus; parties have agreed that the said courts shall have exclusive competence.

8.1.18 *State's Right of Intervention*

The State may exercise a right of intervention in the cases provided by the Law or the Concession Agreement. The Concession Agreement stipulates, as a condition for the exercise of such right, that the State shall have previously identified the necessity of intervention, by way of a joint decision of the Ministers of Finance and Merchant Marine.

8.1.19 *Amendments*

The Concession Agreement may only be amended by way of a subsequent agreement in writing, to be executed by the respective lawful representatives of the parties.

8.1.20 *Communication between the Parties*

PPA S.A. shall submit to the State annual reports in connection with the status of concession assets, the progress of works and any damage, deterioration or destruction thereof.

8.1.21 *Notices*

Any communication or notice between the parties is agreed to be made in writing and shall be addressed, served or delivered to the parties at the respective addresses provided by the Concession Agreement.

8.1.22 *Tariff Policy*

As regards the Company's tariff policy and based on the provisions of the Concession Agreement, the approval of tariffs for services provided by PPA S.A. shall be a matter for its Board of Directors, as specified in its Articles of Incorporation, set forth in Law 2688/1999. Increases to the tariff rates may be effected once per annum. A statement of tariffs, in the form each time applicable, shall be delivered to the Minister of Merchant Marine.

By way of a resolution of its Board of Directors, dated September 11, 2001, PPA S.A. has compiled and approved the Rulebook of Obligations to Consumers (R.O.C.) which sets forth, among others, the Company's obligations vis-à-vis port users in relation to quality of service, as well as the management and processing time for complaints and various requests for the provision of information.

In relation to the Concession Agreement, legal auditors that conducted the independent legal due diligence on the Company note the following:

"1. The concession agreement between the Greek State and PPA S.A. is lawful, pursuant to the special provision of article 35 of Law 2932/2201, as well as to the remaining provisions specifically referenced in the text of the said agreement.

2. By way of the agreement, the Greek State, which is the sole shareholder of PPA S.A., grants to PPA S.A. the exclusive right of use and exploitation of the land, buildings and facilities of the port land zone of the Port of Piraeus.

3. *Individual contract terms are lawful and reasonable.*

4. *An issue could potentially arise in relation to the legality of the erection of buildings. However, in the event such buildings are potentially held to constitute unlawful constructions and sanctions are imposed in this respect (fines, demolition), the Greek State shall be considered in breach of its obligations under the concession agreement, to the extent related to unlawful construction and shall, therefore, be obligated to indemnify PPA S.A.”*

9. Market Sector Data²²²³

The Company is active in the sector of “Activities in Support of or Ancillary to Transport and Travel Agency Activities”, as per the Greek statistical industry classification nomenclature (STAKOD '91, code 63).

9.1 General Market Sector Data

The undertakings of the public and private sector that are active within the relevant market sector may be classified as follows, on the basis of their method of operation:

Port companies implementing a decentralized operations model (landlord ports)

The decentralized operations model involves the existence of autonomous business departments, each of which provides discrete categories of services and operates as a separate business unit. Examples of ports implementing this model include the ports of New York and Hong Kong, as well as those of Rotterdam, Antwerp, Hamburg, Barcelona and Dublin.

Unified port companies (operating ports)

Port companies within this category conduct all activities for the operation of the port, without a separation of operations into business units. Examples of ports implementing the unified model include the ports of Gioia Tauro, Liverpool, Glaskow, as well as the ports of Marseille, Cyprus and Singapore. This category also includes the ports of Piraeus and Thessaloniki.

The difference consists in the operation of specialized and independent enterprise units with a specific particular specialization (terminals); in the first case, the port has been divided into independent zones of enterprise specialization and business interest, while in the second case, the port operates under common management and under a common organization.

Privatization and the decentralized *modus operandi* constitute a strategic aim for the majority of ports. Port privatization is effected by any of the following methods:

- The concession of business units to private investors;
- The establishment of joint ventures between operating units of the port and privately funded companies for the purpose of pursuing port activities;
- The sale of the port as a whole to investors; or
- Flotation of shares on the Exchange.

Ports represent one of the most important factors of the global multi-modal transport system. On the basis of data and relevant documents derived from sources within EUROSTAT and the European Commission, approximately 90% of trade within the European Union with other countries and 30% of Community trade is effected through ports. The recent trend in relation to traffic of cargo within the EU is to shift from road and rail transport to waterways, a trend expressed by the term “shortsea shipping”, i.e., carriage by sea for short distances. This trend reflects the need for swifter transit of cargo within the Community and upgrades the role of ports, considering the fact that most urban centers within the EU are located at distances not exceeding 400 kilometers from the nearest seaports.

²² Source: Company data.

²³ Sector data have been reviewed and evaluated by the Arrangers.

9.2 Competition – Prospects

The competitive environment of the Port of Piraeus includes ports at various geographic locations, implementing a range of different operating profiles. The geographic location of the Port and the nature of services provided (containers, conventional cargo, etc.) largely specify the competitive environment within which PPA S.A. operates.

Due to its location and size, the Port of Piraeus is included among the larger European ports and is active in the Mediterranean market. Its proximity to Athens, the largest Greek metropolitan center, guarantees relatively large traffic volumes, which also enable the conduct of transshipment operations as a complementary activity. This blend of activities is appreciable both in relation to container traffic, of which 50% relates to local destination cargo and 50% relates to transshipment, as well as to car traffic, which reports considerable import volumes, capable of attracting transshipment traffic. PPA S.A. derives 80% of its revenue from the above two categories of activities, without facing considerable domestic competition and serving the national hinterland and islands, by reason of its sufficient connections with all such destinations.

The transshipment activity of the Port of Piraeus mainly services trade flows of the Eastern Mediterranean, while its interest focuses at countries of the Black Sea region and the Balkans. As regards passenger traffic, the Central Port of Piraeus supports almost all island destinations in the Aegean and, due to its proximity to the new Athens International Airport at Spata and locations of interest to tourists (such as the Acropolis), also provides services to cruise ships.

In brief, contrary to other Greek ports, the Port of Piraeus has a character which is domestic and international at the same time, is not targeted on specific markets, but forms part of a network of international ports.

On the basis of the above, the operations of PPA S.A. may be classified in the following categories, on the basis of the markets supported:

◆ *Container Traffic*

- Imports and exports to and from the wider Attica area, with the target of covering the entire territory of Greece.
- Transshipment of loaded and empty containers – transshipment traffic – in support of international trade flows, with a relative emphasis in the areas of the Eastern Mediterranean and the Black Sea.

◆ *Vehicle Traffic*

- Import of vehicles, especially passenger vehicles, for the needs of the Greek domestic market. Piraeus is used as a gateway by importers for the delivery of vehicles from various countries of origin.
- Transshipment of vehicles, in a manner similar to that of containers. This market currently accounts for a small part of activity (approximately 3%); however, prospects exist for considerable growth, when PPA S.A. will be in a position to support international trade flows.

◆ *Coastal Navigation Passenger Traffic*

- The central port serves almost all Aegean destinations and connects Athens to the Greek islands. The central Port supports both passenger traffic, as well as the supply of islands with goods transported on trucks. The role of the central Port is important with regard to the development of tourism and social cohesion.

- In addition to coastal navigation connections, the Port of Piraeus serves local transport connections, including those with Salamina (Perama – Paloukia) and the other islands of the Saronic Gulf. From the point of view of State administration, the Saronic Gulf islands form part of the Prefectural Self-Management Authority of Piraeus and PPA S.A. ensures the uninterrupted traffic of ships, while it implements more favorable transit tariffs in order to maintain traffic levels.

◆ *Cruise Ship Passenger Traffic*

- A passenger terminal for cruise ship passengers operates within the central port of PPA S.A., which is unique for Greek standards. The destinations of cruise ship passengers include the sites of Attica, as well as the wider Aegean area. A positive element for passengers of cruise ships is the proximity of the Port of Piraeus to the new Athens International Airport at Spata.

◆ *Conventional Cargo Traffic*

- The Port of Piraeus supports a limited volume of conventional cargo, targeted at the markets of the wider Attica area and the industries operating within such area.

9.1.2 Domestic Competition

The Port of Piraeus faces very limited domestic competition in relation to container and vehicle traffic. Specifically, the following present an analysis of domestic competitive conditions in relation to each category of services provided:

As regards container traffic, PPA S.A. operates under what is practically a monopoly status in the area of Piraeus, both on the basis of law and practice, and does not currently face strong domestic competition. The nearest port that possesses infrastructure capable of supporting container traffic is that of Volos; however, for the time being, its facilities are not sufficiently developed such as to make it a direct competitor of PPA S.A. Although it possesses superior infrastructure compared to Volos, the Port of Thessaloniki targets markets different than those of Piraeus. In general, the geographic location of the Port of Piraeus and its capacity for supporting high volume traffic make it attractive to maritime companies and forwarding agents.

As regards vehicle traffic, the Port of Piraeus operates up until now at what is practically monopoly status, since domestic competition originating from the ports of Thessaloniki, Patras and Igoumenitsa is currently limited. This is due both to the facilities available at Piraeus (berthing and mooring sites, warehousing facilities, Customs offices, etc.), as well as to the proximity of Piraeus to Attica, where most vehicle importers and dealers maintain their centralized operations for logistics and distribution of vehicles and relevant goods (e.g., spare parts).

As regards conventional cargo traffic, competition is intense from other ports within the region (mainly from the port of Elefsina and, at a smaller scale, from the port of Halkida). The port of Elefsina has gradually achieved to expand its operations and attract market share from Piraeus, mainly due to the lower tariffs and the quicker service offered.

As regards coastal navigation passenger traffic, the Port of Piraeus holds the leading position on the basis of the number of passengers served. Its geographic location is convenient, due to its proximity to Athens, with which it is linked both by railroad and urban light rail, which enhance speed and convenience of passenger access. In addition, the geographic location of the port make it the preferred choice for certain destinations, such as Crete, the Dodecanese and the Saronic Gulf islands. However, domestic competition has intensified during the last years from the ports of Rafina and Lavrion. In view of the anticipated increase in traffic following the abolition of cabotage as of 2002, the capacity of the said ports is expected to relieve Piraeus from increased congestion. As regards the service of passengers

with destinations in the Cyclades, it must be noted that certain destinations, such as Kea and Andros, are served extensively by the ports of Rafina and Lavrion, due to proximity reasons. These ports also serve connections to other destinations, though not in a manner and to an extent as comprehensive as Piraeus. It must be further noted that the capacity of the ports of Lavrion and Rafina is relatively limited compared to that of Piraeus and, as a result, does not enable full support of passenger traffic; in addition, the said ports are more exposed to adverse weather conditions (stronger winds and higher waves), which cause certain delays. Lastly, the connections between the said ports and urban areas are not yet sufficient.

As regards cruise ship passenger traffic, the Port of Piraeus does not face domestic competition, Cruise ship operators are directly dependent on the proximity of the port to the airport and the convenience of direct transfer of passengers to the latter, the existence of sites of tourist interest close to the port, as well as other facilities provided to cruise ships. The infrastructure and location of the Port of Piraeus affords it a competitive advantage in comparison to other ports that neither operate close to international airports nor offer a wide range of services to cruise ships. It is important to note that the Port of Piraeus has successfully received certain among the largest cruise ships in the world, including Grand Princess, Costa Atlantica, etc.

As regards shipbuilding and vessel repair activities, despite the fact that the infrastructure of PPA S.A. at Perama is sub optimal, it offers ship owners with the flexibility of selecting the service operation, relatively high quality of service and low tariffs. The proximity of the ship repair zone to the headquarters of maritime companies operates as an advantage. Notwithstanding the above, units based at Perama operate at small scale and will face difficulties in the future in competing directly with other units within Greece, especially the larger nearby ones at Skaramangas and Elefsina.

The shipbuilding and repair industry includes two target markets: that of repair of existing vessels and that of building new ships. As far as building of new ships is concerned, domestic activity has been limited to small vessels, such as tugboats, open-type ferries and fishing boats; such activity reflects localized investment and business interests. The Navy remains an important client for the industry, and has entered into contracts for the construction of new ships within the framework of armaments procurement programs, with the Hellenic Shipyards S.A. (Skaramangas) and the Elefsis Shipyards. It is not possible for units of the Perama shipbuilding and repair zone to undertake contracts of such scale, due to physical, organization and technical limitations. As regards the repair market, the Perama shipbuilding and repair zone has to compete with a number of operations, including the larger Elefsis and Syros shipyards and the smaller Avlis shipyards. In addition, it is exposed to the wider forces of competition within the Southeastern Mediterranean, where Turkey is the major competitor, offering low workers' cost and an equivalent time of deviation from major Mediterranean sea routes. The Perama shipbuilding and repair zone offers independent workshops and teams selected by the customer, compared to the comprehensive bundle of services offered by larger units, although the latter is not an exclusive privilege. Its advantage lies in the specialization and experience of its workforce which, combined with its proximity to the headquarters of shipbuilding firms at Piraeus, attract customers.

Lastly, as regards the exhibition center, which operates as a venue for exhibitions and trade fairs, PPA S.A. faces competition from various other public and private venues (including the Olympic Center, SEF, LINEA, MKE, EKA and EKEP). Despite the fact that the Company does not provide any services other than simple lease of premises and the fact that procedures for the approval and return of performance bonds are complex and time consuming, demand for the exhibition center remains high. Customers of PPA S.A. show a preference for its exhibition center due to the large area of spaces and the appreciably lower rates charged.

9.1.3 International Competition

Within the framework of international competition in the sector of port services, PPA S.A. faces constantly increasing competition from ports with a favorable geographic location in the Mediterranean offering comparable services. The factors affecting international competition include the nature, as well as the origin and destination of freight in transit.

The following is a brief presentation of ports competing with the Company, on the basis of the type of freight supported.

The container market is especially volatile and competitive, with a number of large and important ports seeking to dominate the Mediterranean market. Direct competitors include the ports of Damietta, Gioia Tauro, Marsaxlokk (Malta), while the creation of new large private terminals in Italy (Tarante, Cagliari), Egypt (Port Said East) and the new terminal to operate in Malta is expected to further intensify competition for transshipment traffic in the Mediterranean in the course of the next years. The ports of Gioia Tauro, Genoa and La Spezia in Italy serve both the Italian hinterland, as well as European commerce in general, since containers trafficking through these ports are ultimately transported to the major European markets by road or rail. The port of Malta has a predominant transshipment character, in the absence of considerable hinterland markets. The Egyptian ports of Damietta and Port Said, next to the Suez canal, the natural eastern gateway to the Mediterranean, retain a comparative advantage against all other ports and may “route” traffic through connections with other ports. All Mediterranean ports having a transshipment capacity support international trade flows from the East (China, Korea, etc.) to the West (mainly Europe).

Within such sector, demand from maritime companies for container traffic is lower than the corresponding supply of capacity and infrastructure by ports. In view of the excess capacity of ports, maritime companies are in a stronger position to negotiate with ports. The Port of Piraeus currently holds a relative competitive advantage against other ports, since it serves a considerable domestic market, which favors the development of synergies by maritime companies.

The position of the Port of Piraeus in the international context has been enhanced following the execution of an agreement for a ten-year term with MSC. However, the continuous further upgrading of the quality of services provided by PPA S.A. is a necessary prerequisite for the maintenance of an interest for Piraeus by maritime companies, within an environment of constantly intensified competition.

As regards the vehicle traffic market, the geographic location of Piraeus is capable of positioning the Port, in addition to its current status as the main gateway for vehicle import in Greece, as an important hub for vehicle transshipment for the Eastern Mediterranean and Black Sea regions. The main competitor in the transshipment market is the port of Gioia Tauro, that recently entered the market with extensive facilities. The development of the new Car Terminal at the Charcoal Wharf in 2003 is expected to address the problem of limited space currently faced by the Port of Piraeus.

Lastly, **as regards the cruise ship market**, it is worth noting that this market has been growing during the last years at very high rates, especially in the Mediterranean markets. Many of the newly built cruise ships are deployed in the Mediterranean and several of those call on the Greek islands. In addition, the abolition of cabotage in the cruise ship sector is expected to increase competition gradually among cruise ship operators active in Greece and to lead to the gradual increase of traffic at the Port of Piraeus, with the possibility of Piraeus operating as the departure point for foreign operators of cruise ships serving destinations at the Greek islands. If this prospect materializes, opportunities for additional revenue will be increased, since the Port will operate as a cruise terminal point and not simply as an intermediate station for several hours. The terms of cabotage in relation to cruise ships have limited the interests of operators for cruises within the Aegean, since use of a Greek port for departure and arrival would lead in a requirement to use ships flying a Greek flag and having a Greek crew. In such case, on the basis of applicable provisions, both officers and service personnel must be Greek, a factor that increases cost and limits profit margins for operators. Currently, cruise ships enter into Greek ports for transit only and use

Spanish, French, Italian, Cypriot and Turkish ports as ports of departure. In the event of abolition of cabotage, Piraeus could serve as a terminal port of departure or arrival, in connection also with the increased capabilities of the new Athens International Airport at Spata.

Despite the fact that Piraeus remains the leading port in the Aegean in relation to the servicing of cruise ship traffic, its competitive position is not secure. Other competitive ports of the Mediterranean, such as the ports of Barcelona and Mayorca, are developing at very high rates. However, the Port of Piraeus could improve its position by following more closely the new trends of the market, including by attracting passengers of the fly-cruise category (travelers combining flights and cruises), which has not been developed until today.

10. 1998 – 2002 Financial Statements

This chapter presents the Company's published (statutory) financial statements for the periods between 1.01.2001 – 31.12.2001 and 1.01.2002 – 31.12.2002. For ease of comparison, this chapter also presents the respective proforma financial statements for the period 1.01.2000 – 31.12.2000, prepared by the auditing firm of KPMG Kyriakou Chartered Auditors S.A.

The published (statutory) financial statements for the years 2001 and 2002 have been audited by SOL S.A. as designated auditors and by Ernst and Young as the independent auditors that performed the extraordinary financial and accounting audit of PPA S.A., while the proforma financial statements for the period 1998-2000 have been audited by the independent Chartered Auditor-Accountant.

Proforma Financial Statements

The Lead Arrangers certify that the presentation of the proforma financial statements provides comparable data as relates to the three-year period 1998 – 2000, given that such financial statements have been prepared on the basis of the same assumptions.

It is noted that the restated (proforma) financial statements of PPA S.A. for the years 1998, 1999, 2000 have been prepared by the Company in cooperation with the advisory firm of KPMG, on the basis of existing accounting and non-accounting data, consultation with competent officers and certain assumptions.

The reasonableness of such assumptions has been reviewed by the Chartered Auditor-Accountant who performed the extraordinary financial and accounting audit and identified no "significant exception". The assumptions which formed the basis of preparation of the restated (proforma) financial statements, as well as the most important findings of the extraordinary financial and accounting audit, are presented in the relevant section of the Information Memorandum.

The proforma financial statements of PPA S.A. for the year 1998 have been prepared on the basis of the approved annual report and the financial statements compiled by the Piraeus Port Authority as a Legal Entity of Public Law. As regards the year 1999, financial statements were prepared on the basis of the data of the approved annual report prepared by the Piraeus Port Authority as a Legal Entity of Public Law and the balance sheet of commencement of operation of PPA S.A. as at May 31, 1999. Lastly, the restated (proforma) financial statements for the year year 2000 have been prepared on the basis of the financial statements for the first company year and the Company's available accounting data.

According to Law 2688/99, the Company's first accounting period exceeded 12 months (1.06.99 – 31.12.2000). However, this chapter presents the pro forma results for 2000 which refer, for comparison purposes, to the 1.01.2000 – 31.12.2000 period. The Extraordinary General Meeting held on 26.09.2001 approved the pro forma financial statements for the years 1998-2000.

It should be noted that from 1.01.1998 until 30.04.1999 the Company operated in the legal form of a non-profit Legal Entity of Public Law and was implementing the Public Accounting Model without being under an obligation to keep the books provided for by the Greek Code of Books and Records. The Company had to issue, submit and retain records only in such cases as were expressly specified in such Code. This practice affects the reporting of certain account items for the said period. It should also be noted that the Company continued using the Public Accounting Model for the 1.05.1999 – 31.05.1999 period as well.

The accounting model applied by PPA until 31.05.1999 was not in line with the Greek National Accounting Model and the account structure therein provided; however, the content and individual structure of each account were as specified in the Public Accounting Model.

At the end of each accounting period, PPA used to prepare accrual statements (1 January – 31 December) which were submitted for review and approval to its relevant supervising authority. The last accrual statement was the one prepared prior to the Company's transformation to a société anonyme and referred to the 5-month period from 1.1.1999 to 31.5.1999.

Any liabilities and commitments were not fully identified in the accrual statements (except certain information in the memo accounts); as a result, there is no clear picture of the Organisation's financial status as at the end of each year supporting either cash flow planning or the development of its operations. The main reason for this was the fact the Company recorded revenues upon their collection and expenses upon their payment. Therefore, no provisions were formed for accrued revenues/expenses with very few exceptions; as a result, there was no strict autonomy of financial years and it was impossible to appropriately plan cash flows. The above applied until 31.05.1999. As of the Authority's transformation into a société anonyme, PPA has to apply the Greek National Accounting Model, Codified Law 2190/1920 and the Code of Books and Records.

In order to address this problem and reflect the Company's financial status (according to the Greek National Accounting Model, Codified Law 2190/1920 and the Code of Books and Records), the Company and KPMG Kyriakou Auditors S.A. have prepared restated (pro forma) financial statements for each year separately, i.e. for each of 1998, 1999 and 2000.

The first stage of the Authority's financial statement preparation was to record and review the Authority's accounts, and also to record and assess the systems and procedures relating to its operations.

Subsequently, within the process of restatement of financial figures and for the period from 1 January to 31 December 1998 and from 1 January to 31 May 1999 when the Authority was using the Public Accounting System, the Authority's accounting model was converted to a uniform accounting model identical to that applied by sociétés anonymes. The differences which emerged from such conversion are due to the different accounting treatment.

The final stage involved the preparation of pro forma financial statements for each of the periods between 1 January – 31 December 1998, 1 January – 31 December 1999 and 1 January to 31 December 2000.

The reference date used for the calculation of the share capital, as specified in article 5, Law 2688/1999, is the 31 January 2001, which is also the reference date of the Authority's tangible and intangible asset valuation by the Committee of Article 9, Codified Law 2190/1920.

The methodology applied for the preparation of the financial statements includes the following:

- ◆ adaptation of the Authority's accounts according to the results of the review;
- ◆ adaptation of the financial statements on the basis of the following valuation operations carried out by the Committee of Article 9, Codified Law 2190/1920:
 - valuation of tangible assets
 - valuation of receivables and liabilities
 - valuation of intangible assets
- ◆ definitive determination of the share capital.

The methods applied for the calculation of the accounts reported in the financial statements are presented in the annex.

The independent chartered auditor-accountant who performed the extraordinary financial and accounting audit of the Company has made the following comments in connection with the proforma financial statements:

“The restated (proforma) financial statements of PPA S.A. for the years 1998, 1999, 2000 and for the 2000 period that exceeded twelve months have been prepared by the Company in cooperation with KPMG, on the basis of available accounting and non-accounting data, consultation with the competent officers and certain assumptions.

Specifically, the proforma financial statements for the year 1998 were prepared on the basis of the approved annual report and the financial statements compiled by the Piraeus Port Authority as a Legal Entity of Public Law. As regards the year 1999, financial statements were prepared on the basis of the data of the approved annual report prepared by the Piraeus Port Authority as a Legal Entity of Public Law and the balance sheet of commencement of operation of PPA S.A. as at May 31, 1999. Lastly, the restated (proforma) financial statements for the year 2000 and the 2000 accounting period that exceeded twelve months have been prepared on the basis of the financial statements for the first company year and the Company's available accounting data.

In more detail, the different categories of accounts presented in the restated (proforma) financial statements have been compiled on the basis of the following assumptions:

Fixed Assets

PPA fixed assets were valued by American Appraisal as at 31 December 2000, at their residual value. The final value was estimated by the Committee of Article 9, of Codified Law 2190/1920, as at January 31, 2001, through an equal share capital increase, effected in kind. The fixed asset acquisition value shown in the pro forma Financial Statements was retrospectively calculated on the basis of the residual value as at 31 January 2001, to which depreciation was added and additions or sales of individual years' fixed assets were added/subtracted, as resulting from available financial data.

For the calculation of depreciation the depreciation coefficients specified in Presidential Decree 100/98 were used, except for fixed assets covered by the new depreciation coefficients specified in the provisions of article 36, Law 2937/ 26.07.2001. Depreciation is calculated on the adapted residual value of fixed assets, starting from 31 January 2001.

Inventory

Inventory mainly includes fixed asset spares and other electrical and mechanical equipment. Inventory, as shown in the said pro forma Financial Statements, reflects the accounting balance of the accounts (without details in terms of type, quantity and value), reduced by a provision for inventory devaluation, as such devaluation was specified by the Committee of Article 9, Codified Law 2190/1920, on 31 January 2001.

Receivables and customer advance payments

The provision for doubtful claims has been based on specific invoices or customers which are considered as doubtful. Due to lack of Company information regarding both the activity and the analysis of an important part of the "Accounts Receivable" account, the provisions formed and their representation in each year's profit and loss account have been the outcome both of discussions with relevant Company officers and of assumptions on the activity of such balances. Assumptions on the activity of such provisions were based on historical data of the Company, where available and according to such data provisions were apportioned on a percentage basis (statistical data).

The "Customer advance payments" account includes customer credit balances which mainly stem from customer deposits against services provided or to be provided. The Company monitors customer advance payments in an off-balance sheet programme per collection note, and as a result the account analysis per customer is impossible due to the high analysis volume of the said account.

Provisions

The Company's Management formed a provision for staff compensations on 31 January 2001 for the first time. The provision was accepted by the Committee of Article 9, Codified Law 2190/1920. The staff compensation provision is not a result of an actuarial study, but was determined on the basis of compensation amounts to which Company employees are entitled.

The "Other provisions" account includes the provision for third party claims under litigation against PPA, as specified by the Committee of Article 9, Codified Law 2190/1920, on 31 January 2001. The provision was calculated on a percentage basis according to an assessment of the court cases outcome by the Company's relevant Legal Department.

According to law 2881/2 of February 2001 on "Wreck hoisting", the responsibility for the hoisting of a wreck which is dangerous for navigation or hinders the mooring and anchoring of ships is borne by the wreck owner. In view of the above, the pro forma Financial Statements do not include a provision for wreck hoisting because the PPA Legal Department informed us that there are no such cases.

Income

It has not been possible to carry out an audit of the Company's income such as to confirm recording of income in a manner consistent with the autonomy of accounting periods for the years ending on 31 December 1997, 1998, 1999 and 2000 due to the inefficiency of the Company's invoice recording and filing system.

It should also be noted that the inefficiencies and deficiencies in the Authority's systems prior to its conversion to a Société Anonyme make it impossible to attribute income of the 1998 – 2000 period into categories or to compile other statistical data and analysis and, therefore, inhibit the justification of any deviations per year.

Expenses

In the results of the pro forma Financial Statements the Company's expenses were apportioned to the "Sales Cost" and "Administrative Expenses" lines at percentages which correspond to the relevant apportionment of total expenses in the Published Financial Statements of 31 December 2000.

According to an analysis provided by the Company's Management, the "Extraordinary Losses" account of € 4.8 million for 1999 and approx. € 15.6 million for 2000 refers to repairs carried out on Company buildings after the 1999 earthquake.

Tax audit

The Company's tax audit by the relevant authorities for the years when the Company operated as a Legal Entity of Public Law, was subject to VAT withholding and payment, as well as to other withholding taxes, and for the years when the Company was operating as a Société Anonyme had not been completed by the date when the pro forma Financial Statements were drafted; as a result, no provisions have been recorded in the books for any tax penalties and surcharges which may be imposed.

Legal Due Diligence

Similarly, the independent legal due diligence of the Company had not been completed when the pro forma Financial Statements were drafted and as a result any possible findings have not been included and represented in the pro forma Financial Statements.

Labour Issues

Upon the conversion of PPA to a Société Anonyme on 31 May 1999 the employees' insurance status also changed and all employees were transferred to the Greek Social Insurance Fund, IKA. IKA carried out an actuarial study in order to calculate the cost to be incurred by it as a result of the employees' vested pension rights. According to the result of the said study, the cost rises to approximately € 255.3 million; part of this cost will be covered by the privatisation proceeds and the remaining part by the Greek State. In the PPA books this amount has been recorded in memo accounts.

As a result of the above, the presentation of the pro forma Financial Statements provides comparable data for the 1998 – 2000 periods, since such data are based on the same assumptions.

Finally, we have reviewed the reasonableness of such assumptions without any significant exception.

The most important findings of the auditing of the pro forma financial statements are as follows:

- «1. A claim of refundable VAT amounting to € 2.93 million has not been included in any of the restated financial statements, as shown in the valuation carried out by the Committee of Article 9, Codified Law 2190/1920.*
- 2. In the restated financial statements of the year 2000 and the 1.06.1999 – 31.12.2000 period, the "Sundry Debtors" and "Liabilities from taxes and duties" accounts have been increased by a tax advance payment of approximately € 927,000.*
- 3. The division of period income and expenses into the corresponding financial years has resulted in no significant exceptions, except the 1.06.1999 - 31.12.2000 and 1.01 – 31.12.2000 periods which should be charged with part of the € 863,000 overtime cost calculated for the year 2001 that related to the said periods.*
- 4. The fixed assets account as at 31.12.1998 includes assets under execution amounting to € 17.9 million. The Company did not have an analysis available indicating the amount which was assigned to fixed assets until 31.12.2000 but was not included in the fixed assets valuation by the Committee of Article 9, Codified Law 2190/1920. Therefore, the fixed assets accounts as at 31.12.1998 are increased compared to 31.12.1999.*
- 5. The pro forma financial statements do not include an additional provision of € 14.6 million for claims under litigation."*

Analysis of Profit and Loss Data for the Years 1998 – 2002

The development of results of operation of PPA S.A. for the years 1998 – 2002 is presented in the following table. It is noted that data for the years 1998 - 2000 are derived from proforma financial statements, do not reflect data of published (statutory) financial statements and are presented for ease of comparison.

ANALYSIS OF RESULTS OF OPERATION FOR THE YEARS 1998 2002

YEAR	Proforma 1998	Proforma 1999⁽²⁾	Proforma 2000⁽³⁾	2001	2002
	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>
Turnover	106,580	108,562	120,746	117,384	130,846
Minus: Sales Cost (Before Depreciation)	61,268	64,929	77,206	80,774	93,854
Gross Profit (before Depreciation)⁽¹⁾	45,312	43,633	43,540	36,610	36,992
<i>(% of turnover)</i>	<i>42.5%</i>	<i>40.2%</i>	<i>36.1%</i>	<i>31.2%</i>	<i>28.3%</i>
Plus: Other Operating Income	5,600	6,091	6,308	7,409	8,847
Total	50,913	49,723	49,848	44,019	45,839
Minus: Administration Expenses	9,809	10,395	12,360	11,824	12,803
Distribution Expenses	0	0	0	0	
Total Expenses	9,809	10,395	12,360	11,824	12,803
<i>(% of turnover)</i>	<i>9.2%</i>	<i>9.6%</i>	<i>10.2%</i>	<i>10.1%</i>	<i>9.8%</i>
Operating profit (before Depreciation)⁽¹⁾	41,104	39,329	37,488	32,195	33,036
<i>(% of turnover)</i>	<i>38.6%</i>	<i>36.2%</i>	<i>31.0%</i>	<i>27.4%</i>	<i>25.2%</i>
Plus: Extraordinary & Non-Operating Income	0	460	0	539	266
Extraordinary Profits	0	0	281		250
Previous year income	0	0	0	89	1,262
Revenues from past years' provisions	0	0	0	2,054	0
Minus: Extraordinary & Non-Operating Expenses	0	263	0	235	12
Extraordinary Losses	44	4,810	15,625	0	4
Expenses of previous years	0	0	0	3,180	462
Provisions for contingent risks	8,306	3,702	3,229	619	0
Earnings before Interest, Depreciation and Tax	32,754	31,014	18,915	30,843	34,335
<i>(% of turnover)</i>	<i>30.7%</i>	<i>28.6%</i>	<i>15.7%</i>	<i>26.3%</i>	<i>26.2%</i>
Plus: Credit Interest and Similar Income	1,487	3,339	4,832	4,544	2,885
Minus: Debit Interest and Similar Expense	4,180	3,021	2,662	1,416	976
Earnings before Depreciation and Tax	30,061	31,333	21,085	33,971	36,244
<i>(% of turnover)</i>	<i>28.2%</i>	<i>28.9%</i>	<i>17.5%</i>	<i>28.9%</i>	<i>27.7%</i>
Minus: Depreciation (aggregate)	2,902	3,558	5,962	5,200	6,173
Earnings before Tax	27,158	27,775	15,124	28,771	30,071
<i>(% of turnover)</i>	<i>25.5%</i>	<i>25.6%</i>	<i>12.5%</i>	<i>24.5%</i>	<i>23.0%</i>
Minus: Taxes for the year and other taxes	0	0	4,674	10,817	10,683
Minus: Board of Directors fees	0	0	0	0	0
Earnings after Taxes for the Year and Board of Directors fees	27,158	27,775	10,450	17,954	19,388
<i>(% of turnover)</i>	<i>25.5%</i>	<i>25.6%</i>	<i>8.7%</i>	<i>15.3%</i>	<i>14.8%</i>
Minus: Taxes of past years' tax audits	0	0	0	3,775	1,589
Earnings after Tax for the Year, Board of Directors fees and Taxes of past years' tax audits	27,158	27,775	10,450	14,179	17,799
<i>(% of turnover)</i>	<i>25.5%</i>	<i>25.6%</i>	<i>8.7%</i>	<i>12.1%</i>	<i>13.6%</i>

Note: Any divergence in sums is due to the rounding of individual amounts

⁽¹⁾ In order to calculate Gross Profit and Operating Result, the corresponding depreciation has been deducted from the sold items cost and the administration expenses as presented in the 2001 financial statements.

⁽²⁾ The Authority had the status of a Legal Entity of Public Law until 30 April 1999; however, it was applying the public accounting system until 31 May 1999. Therefore, the 1999 results are presented only for comparison purposes and the year is not a single accounting period.

⁽³⁾ The Company's first accounting period exceeds twelve months and refers to the 1.06.1999 - 31.12.2000. The 2000 figures are presented only for comparison purposes and refer to the 1.01.2000 - 31.12.2000 period.

Allocation of depreciation is as follows:

ALLOCATION OF DEPRECIATION					
	1998	1999	2000	2001	2002
(in € 000)					
	<i>Pro-forma</i>	<i>Pro-forma</i>	<i>Pro-forma</i>	<i>Statutory</i>	<i>Statutory</i>
Depreciation on Cost of Sales	2,502	3,067	5,139	4,873	5,785
Depreciation on Administrative Expenses	401	491	823	327	388
TOTAL	2,902	3,558	5,962	5,200	6,173

It is noted that, in relation to the proforma financial statements, the allocation of depreciation has been effected on the basis of percentages which correspond to the relevant percentages applicable for the attribution of total expenses incurred during the first company year of PPA S.A. as a societe anonyme, which exceeded twelve months.

KPMG Kyriakou Auditors S.A., the company which prepared the pro forma financial statements, has made the following remarks:

1. It has not been possible to carry out an audit of the appropriate allocation of Company's income into autonomous accounting periods for the years ended on 31 December 1997, 1998, 1999 and 2000 due to the inefficiency of the Company's invoice recording and filing system. It has thus been impossible to identify any income recorded in the Company's books for the years 1998, 1999, 2000 and 2001 which refers to previous financial years.
2. In the results of the pro forma Financial Statements, the Company's expenses were apportioned to the "Sales Cost" and "Administrative Expenses" lines at percentages which correspond to the relevant apportionment of total expenses made in the Published Financial Statements of 31 December 2000.
3. According to law 2881/2 of February 2001 on "Wreck hoisting", the responsibility for the hoisting of a wreck which is dangerous for navigation or hinders the mooring and anchoring of ships is borne by the wreck owner. In view of the above, the pro forma Financial Statements do not include a provision for wreck hoisting because the PPA Legal Department informed us that there are no such cases.
4. The Company has insured the PPA exhibition centre with the insurance company "Atlantic Union" against earthquake damage for an amount of € 10.3 million; such damage has not been included as income in the 2000 results. As of the pro forma Financial Statements preparation date, KPMG Kyriakou Auditors S.A. had not been informed on the final assessment report of the insurer; on the basis of the opinion of the relevant PPA officials the collection of the said compensation is exceptionally doubtful.

10.1.1 Turnover

The Company's turnover in 2000 rose to € 120.7 against € 108.6 in 1999, reporting an increase of 11.2%. The main reasons for such increase were individual increases in various Port activities during 2000, such as: increase of passenger traffic by 6.8% (number of passengers), increase of container traffic by 21.7% (in metric tons), increase of navigation traffic by 6.2% (ship arrivals) and increase of the total number of vehicles loaded/unloaded in the Port Car Terminal by 7.9%. The Company's turnover in 1999 was only increased by 1.8% compared to 1998.

During the period 1.01.2001 – 31.12.2001, the Company's turnover rose to € 117.3 million, while in 2002 it rose to € 130.8, noting an increase of 11%. The following table presents an analysis of the Company's turnover per category of services rendered. The increase is mainly attributable to: (a) the increase of income from stevedoring and transshipment of domestic and international ships due to the increase in container traffic; (b) the increase of income from cargo storage services, due to the increase in container storage tariffs.

ANALYSIS OF TURNOVER PER CATEGORY OF INCOME		
Activity	2001 (in € 000)	2002 (in € 000)
Income from passengers	4,549	5,168
Income from vehicles	1,842	1,983
TOTAL INCOME FROM SERVICES TO COASTAL LINE AND CRUISE-SHIP PASSENGERS	6,388	7,151
Income from Unloading of domestic – international ships	26,406	27,307
Income from Loading of domestic – international ships	11,110	12,976
Income from Transshipment / domestic – international ships	17,550	22,317
Income from SILOs / domestic – international ships	315	282
Income from cargo storage	16,016	18,858
Dock dues for direct delivery	780	961
Dock dues for indirect delivery	12,170	11,952
Concession of means for stevedoring activities	138	47
TOTAL INCOME FROM CARGO STEVEDORING – STORAGE AND DELIVERY SERVICES	84,485	94,700
Ship charges (berthing, stern-berthing, harbouring, wrecks)	8,568	9,827
Charges for the provision of repair sites	2,679	2,067
Charges for the provision of docks	1,646	2,246
Watering charges	3,399	3,335
Power supply charges	1,417	1,306
Telecommunication connection charges	85	134
TOTAL INCOME FROM SERVICES TO SHIPS	17,796	18,915
TOTAL OTHER INCOME	8,715	10,080
TOTAL INCOME	117,381	130,846

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“The Company invoices its customers on the basis of a list of tariffs, while it maintains certain separate, long-term arrangements with its major clients. During the first half of 2002 a new agreement was signed between PPA S.A. and MSC (resolution dated 17.06.2002 of the Board of Directors). The term of the agreement is 10 years and, in terms of operation, covers the entire part of the Port. On the basis of the said agreement, MSC is obligated to effect 400,000 shifts per annum; if such number of shifts is achieved, significant income shall be generated for the Company. It is noted that MSC is the Company's largest customer, as evidenced by available non-accounting data.”

10.1.2 ***Cost of Services Rendered and Administration Expenses (before Depreciation)***

The Company's cost of services rendered and administration expenses (before depreciation), as a percentage of the Turnover for the 1998-2000 period, ranged between 57.5% and 63.9%. In absolute figures, the sales cost during the 1998-2000 period was increased by 26%, mainly due to the execution of the Collective Labour Agreement with retroactive force in November 2000.

In 2001, the cost of services rendered and the administration cost of the Company (before depreciation) reflected a percentage of 68.8% of turnover, while in 2002 the corresponding percentage was 71.7%. The increase of expenses by 22% is attributable to: (a) the increase of payroll expenses in 2001, mainly due to the increases of employee salaries for reasons of seniority (changes in salary tiers, past employment, etc.), increases of overtime (double overtime during the first half of 2002 compared to the respective period of 2001) and the corresponding increase of employer social security contributions, as well as to salary costs of newly-hired employees; (b) the significant increase of payments to third-parties, especially due to the payment of the concession fee with the Greek State of an amount of € 1,396,000, which was not due for 2001, the significant increase of fees to advisors and auditors (an increase to € 726,000 in 2002, compared to € 202,000 in 2001) and the considerable expenses for support of the P-MIS system in 2002; (c) as regards the year 2002, the amounts relate almost in their entirety to the tax provision for doubtful customers (0.5% of gross sales, as defined by Article 31 of Law 2238/1994). In the year 2001 the Company had established a similar provision of € 619,000, which was entered into the account "Extraordinary and Non-Operating Expenses."

As regards the years 1998 – 2002 in particular, operating cost is analysed as follows:

ANALYSIS OF COST OF SERVICES RENDERED AND EXPENSES 1998 – 2002							
COST CATEGORY	1998	1999	2000	2001	% of total	2002	% of total
	(in € 000)	(in € 000)	(in € 000)	(in € 000)		(in € 000)	
Payroll and staff remuneration ^(a)	53,348	57,116	69,046	70,593	76.2%	81,291	76.2%
Third party fees and expenses	62	352	748	829	0.9%	821	0.8%
Third party performance ^(b)	4,523	5,442	6,937	8,828	9.5%	11,860	11.1%
Taxes – duties	2,817	299	467	633	0.7%	414	0.4%
Various expenses	8,540	5,238	8,803	7,570	8.2%	7,722	7.2%
Consumption of Material	1,476	6,566	3,255	4,144	4.5%	3,854	3.6%
Provisions for employee severance pay	311	311	311		0.0%		
Operating provisions ^(c)					0.0%	695	0.7%
Total	71,077	75,324	89,567	92,597	100%	106,657	100%

Note: Any divergence in sums is due to the rounding of individual amounts

The chartered auditor – accountant that performed the extraordinary financial – accounting audit notes the following:

“1. The most significant expenses of the Company that burden the cost of provision of services are staff remuneration and corresponding employer contributions for social security, third-party services (power, fees payable to the State for the concession of use of real property, cleaning services, etc.), depreciation of fixed assets and consumption of materials.

2. The Company does not implement analytical accounting which may provide information on allocation of cost per profit or production center. In relation to the years audited, such information is derived from non-accounting data.”

As regards the years 2001 – 2002, the Company's cost of sales and administrative expenses are analyzed as follows, in € thousand:

ANALYSIS OF COST OF SERVICES RENDERED AND EXPENSES 2001-2002

Account	2001 (in € thousand)			2002 (in € thousand)		
	Cost of Sales	Administrative Expenses	Total	Cost of Sales	Administrative Expenses	Total
Payroll and staff costs	61,158	9,436	70,594	71,153	10,138	81,291
Third party fees and expenses	718	110	828	719	102	821
Third party performance	7,649	1,180	8,829	10,381	1,479	11,860
Taxes – duties	548	85	633	362	52	414
Various expenses	6,558	1,012	7,570	6,579	963	7,542
Consumption of materials	4,144		4,144	3,854		3,854
Operating provisions				608	87	695
Provisions for staff retirement/severance			0			
Total	80,775	11,823	92,598	93,656	12,821	106,657

Note: Any divergence in sums is due to the rounding of individual amounts

In the results of the proforma financial statements expenses have been allocated to the “Sales Cost” and “Administrative Expenses” accounts at the proportion of 86.2% and 13.8%, respectively; such percentages reflect the proportions of allocation of aggregate expenses during the first company year that exceeded twelve months.

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“The finance department informed us that the allocation of expenses has been effected on the basis of the payroll costs of the staff engaged in each function (administration, distribution, etc.). Consumption of materials has burdened in its entirety the cost of services rendered.”

10.1.3 Other Operating Income

Other operating income refers to special subsidies and financial contributions, income from the two car parking areas, income from parking tickets, leases of outdoor and sheltered areas etc. Such income only represents a minor amount of the overall turnover (an average 5.4% for the 1998 – 2002 period).

In 2001, other operating income rose to € 7.4 million, while the corresponding figure for 2002 was € 8.8 million.

The following table presents Other Operating Income of the 1998 – 2000 period.

OTHER OPERATING INCOME							
Activity	1998	1999	2000	2001	% percentage	2002	% percentage
	(in € 000)	(in € 000)	(in € 000)	(in € 000)	of total	(in € 000)	of total
Income from the provision of services to third parties ^(a)	745	1,624	816	965	13.0%	946	10.7%
Leases of land		9	4,328	4,259	57.5%	5,099	57.6%
Leases of buildings and technical works		1,253	1,164	2,185	29.5%	2,424	27.4%

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

Income from overtime	150	2,774	0	0	0.0%		0.0%
Income from other sources	4,705	431	0	0	0.0%	378	4.3%
Total	5,600	6,091	6,308	7,409	100%	8,847	100%

Note: Any divergence in sums is due to the rounding of individual amounts

(a) Income from the provision of services to third parties as at 31.12.2001 and 2002 relates to income from the operation of car parking facilities, as well as collections from parking tickets.

10.1.4 **Extraordinary and Non-Operating Profit/Loss**

In 2000 the Company's total extraordinary expenses/loss rose to € 18.5 million against € 8.3 million in 1999. More specifically, the "Extraordinary Losses" account rose to € 15.6 million in 2000 against € 4.78 million in 1999, due to building repair costs after the damage caused by the 1999 earthquake. In 2001, the Company presented extraordinary losses of € 1,353,000, while in 2002 it demonstrated extraordinary profits of € 1,300,000.

The following table presents extraordinary and non-operating profits and losses for the 1998 – 2002 period:

ANALYSIS OF EXTRAORDINARY AND NON-OPERATING RESULTS					
DESCRIPTION OF ACCOUNT	1998	1999	2000	2001	2002
	(in € 000)	(in € 000)	(in € 000)	(in € 000)	(in € 000)
Extraordinary Profit ^(a)					250
Extraordinary and Non-operating income ^(b)		460	281	539	266
Past years' earnings ^(c)				89	1,262
Income from past years' provisions ^(d)				2,054	0
Extraordinary and Non-operating expenses		(263)		(235)	(12)
Extraordinary Losses	(44)	(4,809)	(15,625)		(4)
Past years' expenses ^(e)				(3,180)	(462)
Provisions for contingent risks ^(f)	(8,306)	(3,702)	(3,229)	(619)	0
Total	(8,350)	(8,314)	(18,573)	(1,352)	1,300

Note: Any divergence in sums is due to the rounding of individual amounts

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“Extraordinary Income

2002 Period

As at 31.12.2002, the account includes the compensation collected from Atlantiki Enossi insurance company in connection with the damages caused by the earthquake of 7.9.1999, as such compensation was approved by the Board of Directors, following negotiations.

Extraordinary and Non-Operating Income

2002 Period

The account mainly includes the amount of € 42,000 from the forfeiture of penalties in favour of PPA S.A. (2001: € 76,000), and the amount of approximately € 87,000 from the non-payment of remuneration to staff, due to absence; in accordance with the Company's standard practice, such amounts do not reduce payroll expenses, but are recorded as non-operating income (2001: € 160,000).

2001 Period

The account mainly includes the amount of € 76,000 relating to the forfeiture of penalties in favour of PPA and the amount of approximately € 160,000 which relates to the non payment of remuneration to staff, due to absence; in accordance with the Company's standard practice, such amounts do not reduce payroll expenses, but are recorded as non-operating income. In addition, as at 31.12.2001, the account includes a credit balance of approximately € 170,000, related to foreign exchange differences arising from the collection of claims in litigation, denominated in USD.

Past Years' Earnings

2002 Period

The amount of € 1,262,000 relates almost in its entirety the difference that arose from the regularization of the system for monitoring income – accounts receivable – advance payments.

Income from past years' provisions

2001 Period

The amount relates to the write-off of an additional provision of € 2,054,000 that had been established by the company for the devaluation of stocks during the year 2001, with a corresponding reduction of the value of inventory stocks.

Subsequent year expenses

2002 Period

As regards the company year ended 31.12.2002, the account mainly relates to pension compensation and payments of benefits (mainly marriage benefits to the second spouse) of € 280,000.

2001 Period

As at 31.12.2001 the account mostly relates to the write-off of a VAT debit balance of € 1,314,000 for the year 2000, which was not approved for refund, payment of overtime for the period 1.3.1999 – 31.3.1999 of an amount of approximately 595,000, as well as vehicle circulation taxes and surcharges for late payment of approximately € 790,000.

Provisions for contingent risks

2001 Period

As at 31.12.2001, the balance relates to the provision for doubtful claims that was established by the company (0.5% on gross sales), on the basis of Article 31 of Law N. 2238/1994. The respective provision for the year 2002 has been recorded as operating expenses.».

10.1.5 Financial Income – Expense

Due to the high amount of cash it maintains, the Company collects significant credit interest amounts each year. In the 1998 – 2000 period, the relevant income ranged from € 1.4 million in 1998 to € 4.8 million in 2000. Credit interest rose to € 4.7 million in 2001 and to € 2.4 million in 2002.

Debit Interest and Relevant Expenses ranged from € 4.1 million in 1998 to € 2.6 million in 2000 and refer to the payment of the long-term loan granted to PPA S.A. by the European Investment Bank (€ 29.2 million), which has been scheduled for repayment in ten equal annual installments of € 2,923,000 between 2001 and 2010.

The Company invests its cash mainly in repos and time deposits, collecting significant amounts of credit interest.

The following table presents financial income/expenses for the 1998 -2002 period:

ANALYSIS OF FINANCIAL INCOME – EXPENSES					
DESCRIPTION OF ACCOUNT	1998	1999	2000	2001	2002
	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>
Credit interest from deposits ^(a)	1,483	3,303	4,718	4,356	2,383
Other Income	3	35	115	188	502
Credit Interest and similar income	1,486	3,338	4,833	4,544	2,885
Interest and expenses of long-term obligations to banks ^(b)	(4,179)	(3,020)	(2,659)	(1,416)	(977)
Other similar financial expenses			(3)		
Debit interest and similar expenses	(4,179)	(3,020)	(2,662)	(1,416)	(977)
Net Financial Results	(2,693)	318	2,171	3,128	1,908

Note: Any divergence in sums is due to the rounding of individual amounts

The reduction to debit interest is due to the floating rate applicable to the long-term loan, which dropped significantly during 2002 compared to 2001 and previous years.

The increase of credit interest observed during the three-year period of 1998 – 2000 is due to the significant increase of treasury assets of the Company throughout such period (from € 31.4 million in 1998 to € 83.3 million in 2000) and the investment of such amounts in repos in the year 2000.

10.1.6 Depreciation

Depreciation for the 1.1.2002 – 31.12.2002 period rose to € 6.2 million, compared to € 5.2 million in 2001.

DEPRECIATION 1998 - 2002					
DESCRIPTION OF ACCOUNT	1998	1999	2000	31.12.2001	31.12.2002
				<i>(in € 000)</i>	<i>(in € 000)</i>
Depreciation	2,902	3,558	5,962	5,200	6,173
TOTAL	2,902	3,558	5,962	5,200	6,173

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“The Company demonstrates an increase of the amount of depreciation between the years 2001 and 2002, mainly due to the additions of fixed assets, as well as to the transfer of fixed assets from the “Fixed Assets under Construction” account following completion to the “Long-term depreciation assets” and “Machinery – Technical Installations” accounts and the commencement of calculation of depreciation thereupon.

Starting from 1 February 2001, PPA S.A. has been calculating depreciation on fixed assets according to the new reduced depreciation coefficients applicable by virtue of article 34, Law 2837/2001. Despite the fact that depreciation of approximately € 308,000 was not calculated for the 1.1-31.1.2001 period (calculated according to article 34 of Law 2837/2001), such depreciation had already been included in the Company's net worth as at 31.1.2001. Had the Company calculated depreciation for the period which ended on 31.12.2001 according to the then applicable coefficients specified by PD 100/98, the profit & loss account would have been lower by approximately € 8.6 million."

10.1.7 Earnings before Tax

In 2000 the Company's earnings before tax were € 15.1 million and were decreased by 46% compared to 1999. Such decrease is mainly due to unexpected damages required to be incurred by the Company as a result of the 1999 earthquake in order to make the necessary repairs to its buildings (€ 15.5 million). In addition, such decrease of earnings before tax is due both to the lower gross profit margin and to increased (by 17.4%) administration expenses. The Company's net profit margin was 12.5% in 2000 against 25.6% in 1999.

In 2002 the Company's earnings before tax rose to € 30 million, compared to € 28.8 million in 2001. The Company's net profit margin for 2002 was 23%, compared to 24.5% in 2001.

The following table presents the restatement of results on the basis of the following comments of the chartered auditor – accountant who performed the extraordinary financial – accounting audit for the respective periods:

PROFIT AND LOSS RESTATEMENT TABLE 1998-2002					
	1998	1999	2000	2001	2002
(in € 000)	Pro- forma	Pro- forma	Pro- forma	Published/ statutory	Published/sta tutory
Profits before tax	27,158	27,775	15,124	28,771	30,071
Minus:					
Expenses of 2000 that were accounted for in 2001			(314)		
Correct allocation of claims under litigation	(957)	(532)	(1,388)	(1,098)	(290)
Contra entry of write-off of depreciation on research and development expenses				300	300
Credit interest accounted for in 2001 and relating to 2000				(65)	
Transfer of expense to correct period				(742)	
Allocation of income-expense to the correct period				786	439
Retroactive increases to workers' wages					(1,184)
Reporting as expense of ongoing technical crew operations				437	
Write-off of wreck charges					(1,350)
Allocation of provision for doubtful claims to the appropriate periods				(4,923)	(2,730)
Tax audit assessments				1,314	
Restated Profits before tax	26,201	27,243	13,422	24,781	25,256
Taxes for the Year			4,674	10,817	10,683

Restated Earnings after Taxes for the Year	26,201	27,243	8,748	13,964	14,573
Restated Earnings after Taxes for the Year and Board of Directors' fees	26,201	27,243	8,748	13,964	14,573
Taxes from tax audits to appropriate period			3,775	1,589	773
Restated Earnings after Taxed for the Year, Board of Directors' fees and allocation of taxes from tax audits to the appropriate periods	26,201	27,243	4,973	12,375	13,800

Note: Any divergence in sums is due to the rounding of individual amounts

I) Proforma Financial Statements 1998 – 2000

“In the course of review of the appropriateness of attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 910,000 should be subtracted from the results of the year 2000. In the course of the corresponding audit that we effected with regard to the accounting period that ended on 31.12.2001, it emerged that an algebraic sum of approximately € 807,000 should be added to the results of the year 2001. As regards such differences, a total of € 593,000 that pertained to the period ended on 31.12.2000 has been included in the restated pro forma financial statements. The balance of € 314,000 pertains to sums that were detected during the audit of expenditures in the year 2001 and were included by us in the restatement of the pro forma financial statements.

The above restatement burdens both net worth and the profit and loss account of the year 2000 because there are no sufficient records that would allow the apportionment of such burdening to the profit and loss accounts and the net worth of the individual years.

On the basis of new information supplied in relation to the dates on which claims under litigation against Piraeus Port Authority arose, the allocation of the provision effected on the profit and loss account of the financial statements compiled by the Authority, became feasible. The effect of such process, for the pro forma financial statements of the years 1998, 1999 and 2000 is € (957,000), € (532,000), and € (1,388,000), respectively.”

II) Published (Statutory) Financial Statements for the year 2001

1. *The amount of approximately € 1.5 million that is included under Assets Account C1: “Research and development expenses” must be written off and charged to the Company’s net worth as at 31.12.2000, given that it pertains to the Legal Entity of Public Law, in the absence of data and sufficient supporting evidence. In addition, a contra entry must be made to write off respective depreciation, which amounted to approximately € 300,000 for the year 2001, to the benefit of the year’s results.*

2. *Services provided in the course of 2000, amounting to approximately € 742,000 were invoiced during the first two months of 2001, while these should have been registered in the first accounting period of PPA S.A. that exceeded 12 months (01.06.1999 to 31.12.2000), thus increasing the profit & loss account thereof and correspondingly decreasing profit of the year 2001. Similarly, credit interest of € 65,000 that related to the year 2000, have been borne to the benefit of the results for the year 2001 and must equally be revised by contra entry.*

3. *In the course of review of the appropriateness of attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 786,000 should increase the results of the year 2001. An analysis of such amount as well as its effect to the Company’s net worth as for the year 2001 is included in the restatement table.*

4. The Inventory ("Stocks") account included technical crew operations in progress, of which the amount of approximately € 300,000 pertains to repairs carried out within the year 2000. According to the valuation effected by the Committee of Article 9, such amount was set to approximately € 437,000 and was written-off by the Company in the profit & loss account of the year 2001. In our opinion, such amount should burden the profit & loss account of the first accounting period that exceeded 12 months and not of the year 2001.

5. On the basis of the updates to the legal due diligence report in relation to the dates on which claims under litigation filed by third parties against Piraeus Port Authority arose, it became possible to allocate the provision effected on the results of the financial statements prepared by Piraeus Port Authority (both proforma and statutory). The effect of such allocation to the profit and loss account of the year 2001 is € 1.098 million.

6. In addition to the provision of € 30,033,000 for bad debts from customers in forced collection that had been established until 31.12.2002, the Chartered Auditors of the Company included an observation in the audit certificate, concerning an additional provision required for doubtful customers, amounting to € 13 million. As regards the year 2001, it is proposed to charge such provision partly to net worth for the amount of € 10,270,000 (since that was the amount of the provision proposed as at 31.12.2001) and by € 4.93 million to the 2001 profit & loss account, since this represents the increase of the outstanding amount receivable from customers in forced collection within the accounting period (with a corresponding credit of earnings).

7. The results of the year 2001 have been impaired with assessments corresponding to tax audits for VAT, of an amount of € 1,314,000, which related to the periods up to 31.12.2000. For reasons of accounting autonomy with respect to each year, such amount has been restated.."

III) Published (Statutory Financial Statements for the year 2002

1. No data or analyses were found in support of the amount of approximately € 1,500,000 that is included in Assets account C1 "Research and development expenses". As we have been informed by the Company, such amount relates to preliminary expenses for projects that were transferred from the Legal Entity of Public Law. The Company was not in a position to confirm the nature of such expenses or to allocate them to the specific projects to which they relate. In our opinion, such amount must be written off and impair the Company's net worth as at December 31, 2001 (and, consequently, the net worth as at December 31, 2002), since it relates to the legal entity of public law. In addition, the corresponding depreciation for the year 2002, of an amount of € 300,000, must be written off, to the benefit of results of operation.

2. The review of appropriateness of the attribution of expenses to the pertinent year indicated that an algebraic sum of € 439,000 should have increased the results of the year 2002. An analysis of such amount, as well as its effect on the net worth for the year 2002 is included in the restatement table.

3. The retroactive increases of port workers' wages for the year 2002 (increase of 3.6% for the first half of the year and increase of 1.8% for the second half), on the basis of the National General Collective Labour Agreement, equal to € 1,184,000, have been recorded in the results of the year 2003.

4. We have reviewed the updates to the independent legal due diligence report in connection to pending litigation cases of third parties against the Company and vice versa. The review of sufficiency of the provision established in connection with pending litigation cases, taking also into consideration the new data supplied by the Company's counsel in relation to certain cases, as well as the updated assessments of the independent legal auditors, demonstrated that the already established provision of € 19,323,000 is sufficient to cover potential damages from pending litigation cases. On the basis of the new data regarding the dates at which pending litigation proceedings against PPA S.A. were initiated, it

became possible to allocate the provision established to the results of operation and the net worth of the financial statements that have been compiled by the Company (both proforma and statutory financial statements). The effect to the results of the year 2002 is € 1,098,000.

5. The “Customers on credit” account includes customer balances of an aggregate amount of approximately € 1,350,000, which relate to invoices for wreck charges of the year 2002. In view of the fact that collection of such invoiced amounts is doubtful, we propose that such amount be written off and impair the Company’s results.

6. In addition to the provision of € 30,033,000 for bad debts from customers in forced collection that had been established until 31.12.2002, the Chartered Auditors of the Company included an observation in the audit certificate, concerning an additional provision required for doubtful customers, amounting to € 13 million, such as to adjust the balance of the “customers in forced collection” account to the amount expected to be collected. It is proposed that such provision impair the results of the year 2002 by the amount of € 2,730,000 and that the balance of € 10,270,000 be charged to the Company’s net worth for 2001, (since the provision proposed as at 31.12.2001 was € 10,270,000).

In connection with the effect of pending claims in litigation to the restatements of earnings, the independent financial auditor – accountant notes the following:

“In accordance with new data provided in connection with the times at which pending claims by third parties against the Company arose, it became possible to allocate the provisions established to results of operation and to the Company’s net worth, as reported on the Company’s financial statements (both statutory and proforma). The effect of such allocation is presented in the following table:

Financial Statements (in € thousand)	Effect on	
	Net Worth	Results
1998 Proforma (1.1.-31.12.1998)	16,015	957
1999 Proforma (1.1.-31.12.1999)	16,547	532
2000 Proforma (1.1.-31.12.2000)	17,935	1,388
2000 Proforma for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2000 Statutory for period exceeding 12 months (1.6.1999 – 31.12.2000)	17,935	1,781
2001 Statutory (1.1.2001 – 31.12.2001)	19,033	1,098
2002 Statutory (1.1.2002 – 31.12.2002)	19,323	290

On the basis of the above table, the financial auditor that performed the extraordinary financial audit proposes the positive restatement of the Company’s equity capital as reported on its financial statements (both statutory and proforma) for the periods ended on 31.12.1998, 1999, 2000 and 2001, while, as regards results of the respective years (as well as those of financial year 2002) a negative restatement to the extent of amounts related to cases under litigation that have an anticipated adverse or uncertain outcome for the Company and arose in the respective years.”

The effects of tax audit differences up to and including the 2000 accounting period have impaired the net worth reported on the proforma financial statements, but not the earnings, due to the fact that, in accordance with the independent financial auditor, there exists no sufficient evidence that could enable the allocation of such impairment to the net worth and earnings of the various years for which proforma statements have been prepared.

10.1.8 *Distribution of Profits before Depreciation*

The following table presents the distribution of profits before tax and depreciation for the years 2001 and 2002, on the basis of data derived from published (statutory) financial statements:

DISTRIBUTION OF PROFITS BEFORE TAX AND DEPRECIATION		
DISTRIBUTION OF PROFITS	2001 <i>(in € 000)</i>	2002 <i>(in € 000)</i>
Profits before depreciation	33,971	36,244
+ Balance of profits of previous periods	1,757	7,634
+ Difference of valuation in the results of the period 1/1 – 31/1/2001	515	
Profits for distribution	36,243	43,878
Differences of tax audits concerning previous years	(3,775)	(1,589)
<i>Were distributed as follows:</i>		
Depreciation	5,200	6,173
Taxes for the year and other taxes	10,817	10,683
Ordinary Reserve	734	899
Dividend	4,842	6,000
Balance of Profits carried forward		
- related to income exempt from taxation	2,882	
- income taxed in special way	170	
- tax-free reserve of Article 110 of Law 2238/1994	189	302
- Balance of profits carried forward	7,634	18,232
Total	36,243	43,878

Note: Any divergence in sums is due to the rounding of individual amounts

Analysis of 1998 – 2002 Financial Statements

The following table presents the Company's financial aggregates for the years 1998 – 2002:

BALANCE SHEET TABLE					
YEAR	Proforma 1998	Proforma 1999⁽¹⁾	Proforma 2000⁽²⁾	2001	2002
	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>
ASSETS					
Establishment Expenses	0	1,562	5,738	5,432	6,228
Minus: Accrued Depreciation	0	134	1,530	1,328	2,892
Establishment Expenses, net of depreciation	0	1,427	4,208	4,104	3,336
<i>Intangible Assets</i>	<i>0</i>	<i>331</i>	<i>426</i>	<i>2,184</i>	<i>2,385</i>
Minus: Accrued Depreciation	0	66	151	437	914
Intangible Assets, net of Depreciation	0	264	274	1,747	1,471
<i>Tangible Assets</i>	<i>90,969</i>	<i>87,844</i>	<i>92,492</i>	<i>98,909</i>	<i>122,970</i>
Minus: Accrued Depreciation	2,902	3,357	4,481	3,435	7,567
Tangible Assets, net of Depreciation	88,067	84,486	88,012	95,474	115,403
Participations and other long-term receivables	0	0	0	86	123
TOTAL FIXED ASSETS	88,067	84,751	88,286	97,307	116,997

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

BALANCE SHEET TABLE					
YEAR	Proforma 1998	Proforma 1999⁽¹⁾	Proforma 2000⁽²⁾	2001	2002
	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>	<i>(in € 000)</i>
Stocks	11,722	3,894	3,592	4,543	4,559
Blocked Deposits Accounts					11,400
Customers (Gross)	31,580	37,958	46,635	51,112	45,842
Minus: Provisions for doubtful customers	23,769	26,998	30,227	30,846	30,033
Customers (net)	7,811	10,959	16,408	20,266	15,809
Doubtful claims	0	0	0	0	0
Sundry Debtors (Gross)	7,907	10,165	13,294	12,721	14,247
Minus: Provisions	3,338	3,522	3,710	0	0
Sundry Debtors (Net)	4,569	6,644	9,584	12,721	14,247
Advances and credits account	0	102	0	6	9
Total Receivables	12,380	17,705	25,992	32,993	30,065
Securities	1	1	1	0	
Current Assets	31,503	49,708	83,270	84,043	67,434
TOTAL CURRENT ASSETS	55,606	71,309	112,854	121,579	113,458
ACCRUALS AND DEFERRED INCOME	0	0	0	236	2,284
TOTAL ASSETS	143,673	157,487	205,348	223,226	236,075
LIABILITIES					
Share Capital	50,000	50,000	50,000	50,000	50,000
Reserve Capital	28,578	25,740	54,155	70,543	71,743
Profits carried forward	0	0	10,450	7,634	18,232
TOTAL EQUITY CAPITAL	78,578	75,740	114,606	128,177	139,975
PROVISIONS	24,920	25,232	25,543	26,130	26,130
Long-Term Bank Loans	29,241	29,241	26,317	23,393	20,469
Other Long-term Liabilities	0	0	0	0	0
TOTAL LONG-TERM LIABILITIES	29,241	29,241	26,317	23,393	20,469
Suppliers	1,657	5,257	3,370	2,065	3,600
Customer Advance Payments	5,023	9,143	10,847	12,188	2,975
Sundry Creditors	887	7,399	5,805	3,849	17,498
Long-term liabilities payable in the subsequent year χρήση	0	0	2,988	2,924	2,924
Obligations for Taxes – Duties	3,102	3,516	8,922	16,015	11,885
Social Security Funds	264	1,937	2,003	2,081	2,227
Dividends Payable	0	0	3,815	4,842	6,000
TOTAL SHORT-TERM LIABILITIES	10,933	27,252	37,750	43,964	47,109
PREPAYMENTS AND DEFERRED EXPENSES	0	22	1,132	1,562	2,392
TOTAL LIABILITIES	143,673	157,487	205,348	223,226	236,075

Note: Any divergence in sums is due to the rounding of individual amounts

(1) The entity operated as a Legal Entity of Public Law up to April 30, 1999, but implemented the Public accounting model until May 31, 1999. As a result, the presentation of data for the year 1999 is made for comparison purposes and does not relate to a single accounting period.

(2) The first financial year of the Company exceeds twelve months and includes the period between 1/06/1999 and 31/12/2000. Data for the year 2000 are presented for comparison purposes and relate to the period between 1/01/2000 and 31/12/2000.

Preparation of the proforma financial statements has taken into account the findings of the valuation effected by the Committee of Article 9 of Law 2190/1920, as at 31/01/2001, on the basis of the Committee's report dated August 2, 2001.

10.1.9 Establishment Expenses and Intangible Assets

The Company's establishment expenses as at 31/12/2002 rose to € 6.2 million; such expenses relate to the installation of software programs, research and development expenses and costs of restructuring in connection with the Company's transformation from a Legal Entity of Public Law to a corporation, privatization expenses, as well as the contribution of 2% in favour of TEAPAEI on fixed assets manufactured or purchased.

The following table presents the balance of establishment expenses and intangible assets of the Company for the 1998 – 2002 period:

ANALYSIS OF THE COMPANY'S ESTABLISHMENT EXPENSES AND INTANGIBLE ASSETS

1998-2002

DESCRIPTION OF ACCOUNT	Acquisiti on cost 31/12/98 (in € 000)	Acquisiti on cost 31/12/99 (in € 000)	Acquisiti on cost 31/12/00 (in € 000)	Acquisiti on cost 31/12/01 (in € 000)	Acquisiti on cost 31/12/02 (in € 000)
Incorporation and first establishment expenses		0	0	0	0
Research and development expenses	0	264	274	2,184	2,385
Contribution to TEAPAEI on purchased items			1,002	685	685
Computer software		1,427	4,529	3,248	3,293
Difference in calculation of depreciation ^(a)			0	82	80
Privatization expenses					2,244
Expenses for the adaptation of operation of PPA as an S.A.		132	207	1,498	
Total	0	1,892	6,163	7,615	8,612

The contributions in favour of TAEPAEI (the Port Workers' Healthcare Ancillary Social Security Fund) is equal to 2% and levied on the basis of the net value of purchases and ordinary and extraordinary expenses and is payable to TAEPAEI. TAEPAEI was created following the abolition of the PPA employee healthcare fund by virtue of Law 2688/1999, whereupon persons insured with the healthcare division of PPA's fund were transferred for insurance with TAEPAEI. As regards the years 1998 and 1999, no amounts of contributions to TEAPAEI are recorded, since the fund did not then exist and PPA recorded the respective amounts in the corresponding expense and income accounts.

The following tables present computer software purchased by PPA S.A. during 1999 and 2000:

"SOFTWARE FOR 1999" ACCOUNT BREAKDOWN	
DESCRIPTION	ACQUISITION VALUE (€ thousand)
SAS system in operating environment ⁽¹⁾	6
Accounting model restructuring study ⁽¹⁾	70
Costing organisation integrated system design ⁽¹⁾	67
Costing integrated system design ⁽¹⁾	70
Invoicing study ⁽¹⁾	70
Analytical accounting integrated system design ⁽¹⁾	70
Network management software ⁽¹⁾	602
Overdue accounts department software ⁽¹⁾	38
Oracle software ⁽¹⁾	323
15 MS Office software PC licences ⁽¹⁾	32
AS4100 Development Software ⁽¹⁾	6
General Software	47

2% Contribution to TEAPAEI	29
TOTAL	1,427

(1) Software systems for the PMIS

"SOFTWARE FOR 2000" ACCOUNT BREAKDOWN	
DESCRIPTION	ACQUISITION VALUE (€ thousand)
Enterprise Application software (SPARKS, EXPRESS & PLAMS) ⁽¹⁾	2,603
Upgrade of the PPA S.A. offices central monitoring system	3
Administrative/Financial Applications ⁽¹⁾	519
TEAPAEI contribution correction	(29)
Balance as at 31/12/1999	1,429
TOTAL	4,529

(1) Software systems for the PMIS

The chartered auditor-accountant who performed the extraordinary financial – accounting audit notes the following:

"The Company capitalises expenditures pertaining to more than one years, as provided for by the provisions of applicable Greek commercial and tax laws (Codified Law 2190/1920, the Greek National Accounting Model and the Code of Books and Records).

Our review could not identify records in connection with preliminary expenses for projects of an acquisition cost of approximately € 1,500,000, which originate from the inventories of the Legal Entity of Public Law. It is for that reason that we propose a write off of the said amount and a corresponding impairment of the Company's net worth as at 31.12.2001 (and, consequently, also net worth as at 31.12.2002). It is also recommended to write off the respective depreciation that amounted to approximately € 300,000 for each of the two years examined, as well as accrued depreciation of € 600,000 as at 31.12.2002.

With the exception of software, establishment expenditures are partially and equally depreciated over a period of five years from their completion, while software is depreciated at an annual rate of 30%.

The above accounts were valued by the Committee of Article 9 of Codified Law 2190/1920 as at 31.01.2001 at their non-depreciated value also indicated on the balance sheet as at 31.12.2000, reduced by the depreciation of the 1.01-31.01.2001 period, of approximately € 146,000. We have not been able to document such accounting treatment of depreciation."

10.1.10 Tangible Assets

In 2001, the acquisition value of the Company's tangible assets rose to € 123 million.

The following table presents the balance, net of depreciation, of the book value of PPA S.A.'s fixed assets.

ANALYSIS OF THE COMPANY'S FIXED ASSETS 1998-2002

ACCOUNT DESCRIPTION	Balance, net of depreciation 31/12/98 (in € 000)	Balance, net of depreciation 31/12/99 (in € 000)	Balance, net of depreciation 31/12/00 (in € 000)	Balance, net of depreciation 31/12/01 (in € 000)	Balance, net of depreciation 31/12/02 (in € 000)
Land	513	513	513	513	513
Buildings and technical works	59 834	63 625	68 185	1,289	3,402
Machinery – technical equipment				65,877	72,563
Means of Transport	8 576	8 278	8 119	10,937	10,465
Furniture and other equipment	1 179	2 692	2 619	2,506	2,182
Fixed assets under construction and advance payments	17 966	9 378	8 575	14,352	26,278
Total	88 067	84 486	88 012	95,474	115,403

PPA S.A. assets were valued by the valuation consulting company American Appraisal as at 31 December 2000, at their residual value. The final value was assessed by the Committee of Article 9, Codified Law 2190/1920, as at 31 January 2001 through an equal share capital increase due to asset contribution effected in kind. The fixed assets acquisition value shown in the above pro forma Financial Statements has been calculated retrospectively based on: (i) the residual value as at 31 January 2001, to which the depreciation amount of the 1 January 1999 – 31 January 2001 period was added and the asset acquisitions or sales of the 1 January 1999 – 31 January 2001 period were added or subtracted, for the 1998 period, (ii) based on the residual value as at 31 January 2001 to which the depreciation amount of the 1 January 2000 – 31 January 2001 period was added and the asset acquisitions or sales of the 1 January 2000 – 31 January 2001 period were added or subtracted, for the 1999 period and (iii) based on the residual value as at 31 January 2001 to which depreciation of the 1 January 2001 to 31 January 2001 period was added and asset acquisitions or sales of the same period were added or subtracted, for the 2000 period.

In greater detail, the residual value of fixed assets as shown in the pro forma Financial Statements is broken down as follows:

Fixed Asset Residual Value Calculation as at 31/12/2000	
	(in € thousand)
Fixed Assets Residual Value as at 31/12/2000 (published Financial Statements)	179,510
Less:	-
Fixed Assets remaining to State ownership	91,351
Fixed Asset residual value as at 31/1/2001 (according to the valuation of the Article 9 Committee)	88,158
Less:	-
January 2001 Depreciation	147
	-
Fixed Asset Residual Value as at 31/12/00 (based on the pro forma financial statements)	88,012

The following table shows the fixed asset residual value calculation as shown in the pro forma Financial Statements for 1999 and 1998:

Fixed Asset Residual Value Calculation as at 31/12/999, 31/12/1998			
	2000	1999	1998
	((in € thousand)	(in € thousand)	(in € thousand)
Fixed Asset Residual Value	88,012	84,487	88,067
Plus:	-	-	-
Depreciation for the Year	4,481	3,354	-
Fixed asset sales	-	3,125	-
Less:	-	-	-
Depreciation of the previous year	3,357	2,902	-
Acquisitions of the previous year	4,649	-	-
	-	-	-
Fixed Asset Residual Value of the Previous Year	84,487	88,067	-

KPMG Kyriakou Auditors S.A., the company which prepared the pro forma financial statements, has made the following remarks: *“Based on the new depreciation coefficients, the 1998, 1999 and 2000 results have been charged with fixed asset depreciation amounts of approximately € 2.9 million., € 3.4 million and € 4.5 million, respectively. However, had the old depreciation coefficients been applied, the said depreciation amounts would have risen to approximately € 9 million, € 9.5 million and 11.4 million, respectively. The depreciation coefficients specified in PD 100/98 have been used for the calculation of depreciation, except fixed assets which are covered by the new depreciation coefficients specified in the provisions of Article 36, Law 2937/26.07.2001. Depreciation is calculated on the fixed asset adjusted residual value, starting from 31 January 2001. The depreciation calculation method applied results in an extended tax life of fixed assets”.*

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes that:

Fixed assets are appropriately recorded on the financial statements as at 31.12.2002.

As regards the years ended 31.12.2001 and 2002, the Company keeps a certified fixed assets registry, which is reconciled with the corresponding accounts of General Accounting.

Additions to machinery and technical equipment for the year 2002, amounting to € 9,184,000, relate for the most part, namely € 8,550,000, relate to the construction and installation of gantry cranes at the Company’s installations.

The account of fixed assets under construction for the year 2002 mainly relates to the works for remodelling of the central port of PPA S.A. into a passenger port, of a value of € 10,936,000, port works in the area of Palataki, of a value of € 10,569,000 and road-building works of a value of € 3,222,000.

10.1.11 Depreciation

In accordance with the chartered auditor – accountant who performed the extraordinary financial – accounting audit:

“On the basis of Article 36 of Law 2937/2001 new depreciation coefficients were determined in connection with the fixed assets of PPA S.A., applicable as of 1.01.2001 as follows:

FIXED ASSET	COEFFICIENT
Straddle Carriers	6.5%
Gantry cranes & electrically-operated cranes	2.5%
Rubber Wheel Cranes	5%
Forklifts	10%
Container transshipment vehicles	5%
Motor driven or non-motor driven vessels	3%
Electrical & mechanical equipment	5%
Port works	4%

No significant exception was identified in the course of the review of depreciation for the years 2001 and 2002.”

10.1.12 Participations and Other Long-Term Receivables

The balance of the “Participations and other long-term receivables” account relates to securities having the nature of fixed assets and rose to € 123,000 as at 31.12.2002.

10.1.13 Inventory (Stocks)

As at 31/12/2002, the Company’s inventory rose to € 4.6 million and relates to consumable items and spare parts for fixed assets.

The development of the balance of the said account for the years 1998 – 2002 is presented in the following table:

BALANCE OF “INVENTORY STOCK” ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 <i>(in.€ 000)</i>	31/12/1999 <i>(in.€ 000)</i>	31/12/2000 <i>(in.€ 000)</i>	31/12/2001 <i>(in.€ 000)</i>	31/12/2002 <i>(in.€ 000)</i>
Ongoing technical crew operations	226	0	135	0	
Spare parts and packaging materials	8,205	5,948	5,511	4,543	4,559
Advances for the purchase of materials	5,345				
Provisions for stock deterioration	(2,054)	(2,054)	(2,054)		
Total	11,722	3,894	3,592	4,543	4,559

KPMG Kyriakou Auditors S.A., the company which prepared the pro forma financial statements, has made the following remarks: *“Stock mainly refers to fixed asset spares and other electrical and mechanical equipment. Stock, as shown in the pro forma Financial Statements, reflect the accounting balance of the accounts reduced by the provisions for stock devaluation, as such devaluation was specified by the Committee of Article 9, Codified Law 2190/1920, as at 31 January 2001 .As regards 1998, the physical inventories carried out did not cover the Company's total stock, while for 1999 – given the lack of any other comparable data, the amount assessed by the Article 9 Committee was also recorded as stock on 31 December 1999, since PPA S.A. maintains a fixed level of spares stock in order to be able to cover its needs.”*

As regards the inventory stock reported on the proforma financial statements, the chartered auditor 0-accountant who conducted the extraordinary financial – accounting audit notes:

“On 31.12.2001 SOL S.A. carried out on behalf of the Company a full physical inventory in all storage areas and recorded stock in detailed inventory lists where stock is analysed in terms of type and quantity. Valuation was carried out as follows:

1. Stock items purchased prior to 1.6.1999 were valued at 50% of their estimated current value. Certain stock items which were considered as fully impaired were valued at € 0.003. According to such valuation, the total value of the said stock rose to € 2,098,000. In addition, the stock impairment provision formed by the Committee of Article 9, Codified Law 2190/1920 which was € 2 million for the said stock was written off in favour of the year's earnings while, as also mentioned in the Annex of the 31.12.2001 financial statements, the effect of this treatment on earnings is not material.

2. Stock items purchased after 1.6.1999 were valued according to the weighted average price and the actual purchases as shown in the unofficial inventory books and lists kept by the Company. The value calculated following the valuation of such inventory rose to € 2.4 million.

As regards the stock items mentioned in paragraph (1) above, it should be pointed out that we are unable to confirm the correctness of their valuation since the valuation was not carried out by an independent expert, and also we were not provided with any information on their net liquidation value in order to assess whether an impairment provision should have been established.

As regards the review of the Company's records in order to identify slowly moving materials and spares, our remarks are as follows:

Due to the lack of information on the acquisition value and ageing of stock items acquired prior to 1.6.1999, it has not been possible to assess the provision of € 2 million which should have also been included as at 31.12.2000 in the financial statements of Codified Law 2190/1920. The said provision, carried out by the Committee of Article 9, Codified Law 2190/1920 as mentioned above, was written off in favour of the 2001 earnings, following the valuation of old stock items at 50% of their value. Due to the lack of information on the acquisition value and ageing of stock items acquired prior to 1.6.1999 and included in the 2001 year-end inventory, it has not been possible for us to also identify slowly moving stock items as at 31.12.2001 and we are thus unable to assess whether it is essential to include an impairment provision for stock items included in the Balance Sheet as at 31.12.2001 or to estimate the amount of such provision.”

As regards stock reported on the Company's published (statutory) financial statements, the chartered auditor/accountant who carried out the extraordinary financial/accounting audit has made the following remarks:

"1. Based on the right provided to it according to the law, the Company does not keep a certified warehouse book. However, the Company keeps non certified inventory lists (per storage area), which present the Company's stock per item (quantity and value) as at 31.12.2002. We have received copies of such lists and have reconciled them with the balances of the Company's books of account without any difference arising.

The changes to inventory during the year 2002 are presented in the following table, expressed in € thousand:

ANALYSIS OF “INVENTORY STOCK” ACCOUNT FOR THE YEAR 2002

DESCRIPTION OF ACCOUNT	Initial Stock (1.1.2002)	Purchases	TOTAL	Final Balance (31/12/2002)	Consumption
Consumable Items	4,543	2,596	7,139	4,559	2,580
Spare Parts for Fixed Assets		1,274	1,274		1,274
Total	4,543	3,870	8,413	4,559	3,854

In the period between 22 and 27 January 2003, the Company conducted a physical inventory of its stock, in the entirety of storage areas and recorded such stocks on analytical inventory lists containing an analysis per type and quantity. Taking into account such physical inventory and the records related to changes to stocks between January 1, 2003 and the date of the physical inventory, the Company then created inventory lists as at December 31, 2002.

In order to verify the correctness of the above procedure, we proceeded to a re-count of samples of inventory stock in the period between March 17-20, 2003. For this purpose, we selected the 22 largest (in terms of value) inventory stock codes from the three (3) largest (in terms of value) storage spaces of the Company, covering 23% of the aggregate value of stocks as at 31.12.2002. Following the completion of the physical inventory, we reconciled the stocks found with the records presenting changes for the period between January 1, 2003, and the date of our investigation, in order to verify the accuracy of the quantities of stocks in the inventory lists prepared with a reference date of December 31, 2002.

Our review indicated certain minor exceptions, mainly related to differences of inventory quantities with accounting balances (surplus) and items requiring settlement in the warehouse books. However, taking into account the nature of the Company's stocks (spare parts and consumables) and the relatively small contribution of consumption of materials to the overall cost of provision of sales and to profit and loss, such differences are not considered so significant, as to require an extension of our review.

Valuation of stocks as at December 31, 2002, was effected in the same manner as valuation as at the end of the year 2001, namely:

(a) Stocks originating from purchases prior to 1.6.1999 were valued at 50% of their assessed current value. Some of such stocks, that were considered as being fully devaluated, were valued at € 0.01. The aggregate value of such stocks as at 31.12.2002 was significantly lower than the corresponding value as at 31.12.2001, due to consumption in the meantime and rose to € 670,000 (€ 2,095,000 as at 31.12.2001).

(b) Stocks originating from purchases after 1.6.1999 were valued at their weighted average price, as evidenced from non-certified books and inventory lists kept by the Company.

The Company's management informed us that, following the completion of the physical inventory, items not capable of utilization were isolated, with the assistance of technical staff and managers of each warehouse, and were recorded on separate lists for management purposes. Such stocks were not included in the year-end inventory (their cost burdened the cost of provision of services).

In connection with stocks originating from purchases following 1.6.1999 and due to the nature of the Company's stocks (consumable materials and spare parts for fixed assets), no issue of slow-moving items arose.

However, as regards stocks acquired prior to 1.6.1999, (€ 670,000) and due to the lack of data as to the date of acquisition and age, it was not possible to identify slow-moving items. Taking into consideration the fact that, in the current year, stocks not capable of utilization were isolated and burdened the cost of

provision of services, while the balance is considered by the Company's management as being fully capable of utilization, we believe that there is no reason for establishing a provision for stock deterioration.

We must stress the fact that the efforts for enhancement of the system for monitoring stocks and ensuring their accounting organization is at a satisfactory stage. However, such efforts need to intensify and be completed, such as to fully ensure efficient use of stocks, their orderly management and to enable their full control at any given time."

10.1.14 Accounts Receivable (Customers)

The balance of the Accounts Receivable ("Customers") account, following the deduction of corresponding provisions for doubtful customers, rose to € 15.8 million as at 31.12.2002.

The development of the balance of the "Customers" account, following the deduction of provisions, is presented in the following table for the period 1998 – 2002:

BALANCE OF "CUSTOMERS" ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 (in € 000)	31/12/1999 (in € 000)	31/12/2000 (in € 000)	31/12/2001 (in € 000)	31/12/2002 (in € 000)
Customers	31,580	5,226	9,509	9,122	1,413
Customers in forced collection		32,732	37,126	41,990	44,429
Provisions for doubtful customers	(23,768)	(26,998)	(30,227)	(30,846)	(30,033)
Total	7,812	10,960	16,408	20,266	15,809

KPMG Kyriakou Auditors S.A., the company which prepared the pro forma financial statements, has made the following remarks: "The provision for doubtful clients has been based on specific invoices or clients which are considered doubtful and not on the general provision of 0.5% on sales turnover which is also tax-deductible. Due to the lack of Company data as regards both the movement and the breakdown of a significant part of the "Customers" account, the provisions formed and the manner in which they are recorded in the results accounts of each year is the outcome of discussions with competent Company officers and also of assumptions on the movement of the said balances. Assumptions on the movement of the said provisions have been based on the Company's historical data (statistical data) where available, and, based on such data, provisions were apportioned on a percentage basis."

The chartered auditor – accountant who performed the extraordinary financial – accounting audit has made the following comments in connection with the Company's published (statutory) financial statements:

"1. As of November 2002, the Company has proceeded to the implementation of a new computerized information system for the monitoring of the accounting circuit of income – customers – collections related to sales (settled in cash or on credit). Such new system has been designed with a view to addressing the requirements of tax legislation and to provide additional information and statistical data for the Company's services and customers. In more detail, the new computerized information system supports the following:

a) Analytical ledger per customer at business unit level (PPA S.A. currently operates 12 business units) and at Company level on the aggregate. The analytical ledger presents all customer transactions (invoicing, advance payments, collections, deferrals and set offs) as required by tax legislation.

b) *Analytical ledger for each customer in forced collection at Company level. We remind that, on the basis of its regulations, the Company transfers invoices remaining unpaid for more than 10 days to forced collection customer accounts.*

c) *Analytical daily ledger of sales on credit for sales on credit and analytical cashier's ledger for sales settled in cash. We note the fact that care has been taken in order to ensure that such ledgers are automatically updated upon the issuance of sales invoices. For the time being, automatic updating is supported only at the Container Terminal business unit (which represents the largest business unit, accounting for more than 70% of the Company's turnover), while at other business units invoices are issued manually and are entered into the computerized system on the following day. PPA S.A.'s general accounting accounts are updated on the basis of the data of the sales and cashier's daily ledgers of the branches at the end of each day.*

d) *Additional information in connection with the services rendered by PPA S.A. For that purpose, the Company has assigned codes to the different services it provides, such as to collect data per type of service, both at business unit and at Company level.*

We have received customer balances per business unit and on the aggregate, at Company level, both in relation to active customers and to customers in forced collection; we have reconciled such balances with the accounts of General Accounting without any exception arising.

The aggregate net difference that arose in the course of regularization of the system for monitoring the income – customers – advance payments cycle rose to € 1,205,000 (credit balance) and was transferred to the results of the year, namely to the "Past years' income" account. The said amount includes:

a) *Customer debit balances and customer advance payments, which the Company deemed not necessary to review further (total credit balance of € 1,128,000);*

b) *Customer advance payments from previous years, in connection with which respective invoices had not been issued (€ 311,000);*

c) *The settlement of both the provision that had been established by the Committee of Article 9 of C.L. 2190/1920 in connection with doubtful customers, of an amount of € 880,000 and the debit balance that had remained in the "Customers" account following the write-off of unidentified advance payments of an amount of € 1,114,000 by the Article 9 Committee.*

The Company's designated Chartered Auditors addressed letters to all of the Company's customers with a balance (debit or credit) in excess of € 10,000, in order to verify their balances. Such letters were sent to 50 of the Company's customers (out of a total of 749 customers), representing 78% of the aggregate credit balance of active customers and 50% of the aggregate debit balance (excluding balances of customers relating to wrecks, see Chapter D 6 hereinbelow). Due to the large percentage of customers addressed, the above procedure suffices for purposes of our review.

Response letters were received from customers with balances representing 41% of the aggregate credit balance of the "Customers" account and 30% of the aggregate active debit balance (excluding customers invoiced for wreck charges). The process of reconciliation of such letters with the balances of customer analytical ledgers indicated no significant exception.

Records of income and advance payments as at the end of the year 2002 and the commencement of the year 2003 were reviewed, in order to verify the attribution of income to the appropriate period. Our review did not identify any significant exception.

The "Doubtful customers – customers in litigation" account includes customers on credit with debts overdue for a period exceeding ten days.

On the basis of its standard practice, the Company collects advance payments from its customers in relation to services to be provided; such advance payments are settled at periodic intervals. Each customer's account is debited and credited upon the collection of advance payments and the settlement of the services rendered to which such advance relates. Any unused balance of such advance payments existing as at December 31, 2002, is reported in the "Customer Advance Payments" account of liabilities.

Our review of customer accounts identified the following:

a) The "Customers on credit" account includes customer balances of an aggregate amount of approximately € 1,350,000, which relate to invoiced wreck charges of the year 2002. Given that the collection of such amounts is considered as being doubtful, we proposed the write-off of such balance and the corresponding impairment of results.

b) In addition to the provision of € 30,033,000 for bad debts from customers in forced collection that had been established until 31.12.2002, the Chartered Auditors of the Company included an observation in the audit certificate for 2002, concerning an additional provision required for doubtful customers, amounting to € 13 million. It is proposed to charge such provision partly to the results of the year 2002 (by € 2,730,000), to the Company's net worth as at 31.12.2001 for the amount of € 10,270,000 (since that was the amount of the provision proposed as at 31.12.2001) and by € 4.93 million to the 2001 profit & loss account, since this represents the increase of the outstanding amount receivable from customers in forced collection within the accounting period (with a corresponding credit of earnings).

It is noted that during the year 2002 the Company proceeded to the write-off of old uncollectible customer balances of an aggregate amount of approximately € 627,000, with a corresponding reduction of the provision for doubtful debts; such write-off was approved by a resolution of the Company's Board of Directors, dated November 11, 2002.

In accordance with the Company's management, in the course of creation of a client registry in October 2002, customer balances from services invoiced were set off against respective advance payments, which led to a reduction of the balance of the account for the year 2002.

10.1.15 Sundry Debtors

As at 31.12.2002 the "Sundry Debtors" account rose to € 14.2 million.

The development of the balance of the "Sundry Debtors" account for the period 1998 – 2002, following the deduction of provisions, is presented in the following table:

ANALYSIS OF "SUNDRY DEBTORS" ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 8 (in € 000)	31/12/1999 9 (in € 000)	31/12/2000 0 (in € 000)	31/12/2001 1 (in € 000)	31/12/2002 2 (in € 000)
Tax Advances and withholdings ^(a)			2,521	6,062	5,817
VAT Debit balance ^(b)		8,526	7,928	3,064	4,501
Various receivables from the Greek State	7,636		92		
Greek State tax advances	7,636	8,526	10,541	9,126	10,318
<i>minus: provisions</i>					
Staff loans ^(c)				724	595
Staff advances					
Facilities in cash ^(d)				753	560
Staff accounts	273	815	1,523	1,477	1,155

ANALYSIS OF “SUNDRY DEBTORS” ACCOUNT 1998-2002

	31/12/1998	31/12/1999	31/12/2000	31/12/2001	31/12/2002
Other Debtors ^(e)		825	1,223	2,118	2,774
Provisions	-3,337	-3,522	-3,710		
Total	4,572	6,644	9,577	12,721	14,247
Blocked deposits accounts ^(f)				0	11,400

Note: Any deviation in the sums is due to the rounding of individual amounts.

In accordance with the chartered auditor – accountant who performed the extraordinary financial – accounting audit:

- “(a) The account mainly includes the tax advance payment for the years 2001 and 2002.
- (b) The account includes a VAT debit balance that arose due to increased investments in fixed assets.
- (c) The amounts relate to loans to employees as at 31.12.2001 and 31.12.2002. The aggregate amount of loans per year is approved by the Board of Directors. Loans are extended interest-free, while stamp duty is withheld at the rate of 2.4%. The principal amount of each loan per employee does not exceed approximately € 3,000. Repayment installments are withheld from employees’ salaries. Our limited sample review of repayment of loans identified no exceptions.
- (d) As at 31.12.2002 the account includes a cash facility of an amount of approximately € 554,000 (approximately € 530,000 as at 31.12.2001) that was extended to the Company’s staff in 2000 (approximately € 440 per employee) upon the first use of the DIASPAY electronic interbanking payroll system. Our review indicated that the said amount remained outstanding, for the major part, as at 31.12.2002 and we were informed that it is to be settled through payroll of staff, either during the period of employment or upon retirement.
- (e) The account includes, for the major part, receivables from assessed parking ticket fines, of which the amount of approximately € 751,000 originates from the former legal entity of public law (before 31.5.1999. It is for that reason that the Committee of Article 9 of C.L. 2190/1920 established a provision of an amount of approximately € 587,000, which has impaired the Company’s net worth as at 31.1.2001. We propose that the balance of € 164,000 be written off and impair the Company’s net worth as at 31.12.2002 (6 – Annex I)”.

The “Blocked Deposits” account relates to funds that were provided by the Greek State to the Company for the construction of Olympic works (buildings, sewage networks and demodelling of outdoors areas) in view of the 2004 summer Olympic Games. In accordance with the Company’s designated chartered auditor – accountant, as payments are made for such works according to their progress, the “Subsidies” account will be debited and the “Blocked Capital” account will be credited, until such amounts are fully utilized.

10.1.16 Treasury Assets

The balance of the “Treasury Assets” account as at 31.12.2001 rose to € 84 million, while the respective figure for 31.12.2002 was € 67.4 million. The balance of such account for the period 1998 – 2002 is analyzed as follows:

ANALYSIS OF “TREASURY ASSETS” ACCOUNT 1998-2002

DESCRIPTION OF ACCOUNT	31/12/1998 (in € 000)	31/12/1999 (in € 000)	31/12/2000 (in € 000)	31/12/2001 (in € 000)	31/12/2002 (in € 000)
Cashier				836	1,107
	495	1,252	1,675		
Demand deposits	31,008	48,456	81,595	12,865	9,298
Repos				70,341	57,028
Total	31,503	49,708	83,270	84,042	67,433

Note: Any deviation in the sums is due to the rounding of individual amounts.

In accordance with the Company's management:

“The Company's treasury assets are attributable to the accrued historic reserves of past years and the relatively low amounts of the investment program of such years, which are consistent with the operating attributes of the Legal Entity of Public Law. The control of management of treasury assets is made by the Company's Management. It is the intention of the Company's management to manage actively and utilize treasury assets through the investment program. Within such framework, it is expected that the existing amount of treasury assets will support the unhindered implementation of the Company's investment program for the period 2002 – 2006, of a budgeted amount of € 218 million.

Specifically, the management of the Company's treasury assets is effected by the Company's management, i.e., on the basis of resolutions of the Board of Directors adopted upon the recommendation of the Managing Director. 2001 investments in repurchase transactions (repos) of Greek State treasury bills were approved by the Company's Board of Directors.”

In accordance with the chartered auditor – accountant who performed the extraordinary financial – accounting audit:

“1. We have reviewed the reconciliation effected by the Company between balances of cashiers and General Accounting without identifying any significant exception. It is noted that PPA S.A. operates 11 regional cashiers, including the central cashier. The Company maintains relationships with a limited number of banks (National Bank of Greece S.A. and Bank of Greece).

Reconciliation of the balances of bank accounts kept by the Company, on the basis of letters by the banks, identified no significant exception, other than the account kept with the National Bank of Greece (NBG), which presented an amount of customer deposits of approximately € 232,000 as at 31.12.2001 that the Company could not relate to specific customers. In order to address the issue from an accounting point of view, the Company has temporarily posted such difference of € 232,000 to the Bank's account, through the credit of the “Sundry Creditors” account.”

The following table presents an analysis of financial instruments as at 31/12/2001 and 31/12/2002:

ANALYSIS OF REPOS AS AT 31.12.2001

DESCRIPTION	ACQUISITION VALUE (in € 000)	INTEREST (in € 000)	TRANSACTION DATE	MATURITY	ACCRUED INCOME (in € 000)
NBG REPOS	23,226	136	26/11/2001	28/01/2002	76
NBG REPOS	31,836	187	26/11/2001	28/01/2002	104
NBG REPOS	15,279	90	26/11/2001	28/01/2002	50
TOTAL	70,341	412			229

ANALYSIS OF REPOS AS AT 31.12.2002					
DESCRIPTION	ACQUISITION VALUE (in € 000)	INTEREST (in € 000)	TRANSACTION DATE	MATURITY	ACCRUED INCOME (in € 000)
NBG REPOS	27,856	69	18/12/2002	20/01/2002	29
NBG REPOS	29,172	73	18/12/2002	20/01/2002	31
TOTAL	57,028	142			60

In accordance with the independent financial auditor – accountant that performed the extraordinary financial – accounting audit:

“As of 01.01.2002 income from REPOS interest is taxed at the rate of 7%. We have confirmed the above balances through the exchange of correspondence with NBG, which was copied to the Company’s designated auditors.”

10.1.17 Accruals and Deferred Income

The balance of the “Accruals and Deferred Income” account rose to € 2,283,000 as at 31.12.2002. No such accounts are included in the proforma financial statements. The analysis of accruals and deferred income for the two periods for which published (statutory) financial statements were prepared is presented in the following table:

ANALYSIS OF ACCRUALS AND DEFERRED INCOME 2001-2002		
DESCRIPTION OF ACCOUNT	31/12/2001 1 (in € 000)	31/12/2002 2 (in € 000)
Expenses of the subsequent year	3	24
Income from lease of various areas	0	250
Accrued interest from repurchase agreements (repos)	232	60
Income from charges to domestic/international ships for use of passenger port	0	579
Mooring charges (from ships berthing at the port)	0	512
Income from the provision of storage services at the Container Terminal	0	849
Other	0	9
Total	235	2,283

10.1.18 Assets Memo Accounts

The Company’s Assets memo accounts as at 31.12.2002 presented a balance of € 8.2 million and related to performance bonds for the good execution of works in progress. Proforma financial statements do not include an analysis of memo accounts.

In accordance with the independent financial auditor – accountant that performed the extraordinary financial – accounting audit:

“These accounts are mainly used to record letters of guarantee received by the Company for the good performance of works and procurement. We have received an analytical list of letters of guarantee and have reconciled their amounts with the balance of the memo accounts, without identifying any exception.”

10.1.19 Equity Capital

The balance of the “Equity Capital” account rose to € 140 million as at 31.12.2002, compared to € 128.2 million as at 31.12.2001. The following table presents the analysis of the Company’s equity capital:

ANALYSIS OF THE COMPANY’S EQUITY CAPITAL					
DESCRIPTION OF ACCOUNT (in € 000)	<i>1998 (proforma)</i>	<i>1999 (proforma)</i>	<i>2000 (proforma)</i>	<i>2001</i>	<i>2002</i>
Share Capital:					
Paid – in	50,000	50,000	50,000	50,000	50,000
Total	50,000	50,000	50,000	50,000	50,000
Reserves:					
Ordinary Reserve	0	0	587	1,320	2,220
Special tax-free reserve of Law 2881/2001	61,282	61,282	61,282	61,282	61,282
Reserves from tax-free income	0	0	6,456	7,211	7,513
Reserves from income taxed in special way				728	728
Extraordinary Reserve	-32,705	-35,542	-14,169		
Total	28,578	25,740	54,155	70,542	71,744
Earnings carried forward					
Balance of earnings carried forward	0	0	10,450	7,634	18,232
TOTAL EQUITY CAPITAL	78,578	75,740	114,606	128,176	139,975

Note: Any deviation in the sums is due to the rounding of individual amounts.

As at 31.12.2001 the balance of the “Equity Capital” account of the Company rose to € 128.2 million and included, in addition to the paid-in share capital, reserves and earnings carried forward; the Company’s share capital as at 31.12.2001 rose to € 50 million.

The amount of the Company’s share capital and special tax free reserve of Law 2881/2001 was definitively determined by virtue of a resolution of the Company’s meeting of shareholders, dated 7/8/2001.

The “Balance of earnings carried forward” account was as follows for each of the years for which the Company prepared published (statutory) financial statements:

ANALYSIS OF COMPANY’S EARNINGS CARRIED FORWARD		
DESCRIPTION OF ACCOUNT (in € 000)	2001	2002
Net earnings of the year (before tax)	28,772	30,071
Plus:		
Balance of previous year’s earnings	1,757	7,634
Valuation differences from results of period ended 1.1-31.1.2001	515	0
Differences due to tax audit	(3,775)	(1,589)
Total	27,268	36,116
Minus: Income Tax	10,817	10,683
Profits for Distribution	16,451	25,433
1. Ordinary Reserve	734	899
2. First Dividend	4,842	6,000
6a. Reserves from tax-exempt earnings	2,882	0

ANALYSIS OF COMPANY'S EARNINGS CARRIED FORWARD

DESCRIPTION OF ACCOUNT (in € 000)	2001	2002
6b. Reserves from earnings taxed in special way	170	0
6d. Tax – free reserve of Article 110 of Law 2238/94	189	301
Balance of Earnings carried forward	7,634	18,232

Note: Any deviation in the sums is due to the rounding of individual amounts.

The following table presents the restatement of Equity Capital of the proforma financial statements for the years 1998 – 2000 and the published (statutory) financial statements for the years 2001 and 2002, on the basis of the comments of the chartered auditor – accountant that performed the extraordinary financial – accounting audit.

TABLE OF RESTATEMENT OF EQUITY CAPITAL**BALANCE SHEET DATA**

	1998	1999	2000	2001	2002
(in € 000)	<i>Pro- forma,</i>	<i>Pro- forma,</i>	<i>Pro- forma,</i>		
Equity Capital	78,578	75,740	114,606	128,176	139,975
Minus:					
Correct allocation of claims in litigation	3,242	2,710	1,322	290	
Differences of tax audit for the years up to 2000	(1,315)	(1,315)	(4,907)		
Additional provision for doubtful customers	(5,347)	(5,347)	(5,347)	(10,270)	(13,000)
Expenses of the year 2000 accounted for in 2001			(314)		
Reporting as expense of research and development costs				(1,500)	(1,500)
Write-off by contra entry of depreciation on research and development costs				300	600
Entry of income/expense in the correct period				(587)	(148)
Retroactive wage increases to port workers					(1,184)
Provision for past years' receivables related to assessed parking ticket fines				(164)	(164)
Write – off of wreck charges					(1,350)
Differences of tax audit relating to 2001 and reported as expense in 2002				(1,589)	
Differences of tax audit for the year 2002					(773)
Restated Equity Capital	75,158	71,788	105,360	114,657	122,456

Note: Any deviation in the sums is due to the rounding of individual amounts.

The restatements to equity capital in the proforma financial statements for the years 1998 – 2000 and in the published (statutory) financial statements for the years 2001 and 2002 have been based on the results of the tax audits conducted and on the following comments made by the independent financial auditor – accountant, who performed the extraordinary financial and accounting due diligence:

I) Proforma Financial Statements 1998 – 2000

“In the course of review of the appropriateness of attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 910,000 should be subtracted from the results of the year 2000. In the course of the corresponding audit that we effected with regard to the

accounting period that ended on 31.12.2001, it emerged that an algebraic sum of approximately € 807,000 should be added to the results of the year 2001. As regards such differences, a total of € 593,000 that pertained to the period ended on 31.12.2000 has been included in the restated pro forma financial statements. The balance of € 314,000 pertains to sums that were detected during the audit of expenditures in the year 2001 and were included by us in the restatement of the pro forma financial statements.

In addition to the provision for doubtful customers in forced collection of an amount of € 29.3 million that was established by the Committee of Article 9 of C.L. 2190/1920, the Company's designated Chartered Auditors included a comment in their audit certificate for the year 2001, in connection with a required additional provision for doubtful debts, of an amount of € 10.3 million. It is proposed to allocate such provision partly (by € 4.9 million) to the results of operation of the year 2001 (since it is by such amount that the balance of customers in forced collection increased in such year) and by € 5.3 million to the Company's net worth as at 31.12.2000. It is noted that, due to the fact that such provision was established in 2001, it is not included in the proforma financial statements.

The financial statements under Codified Law 2190/1920 and the restated proforma financial statements until 31.12.2000 do not include any provision in relation to tax obligations linked to tax audits for the periods up to 31.12.2000. On the basis of the findings of the tax audit, which took place within 2001, additional income tax and VAT of an aggregate amount of € 4.9 million was assessed for the period 1.6.1999 – 31.12.2000. Of such amount, € 3.59 million relates to differences in income tax and impaired the Company's net worth as at 31.12.2001, while the amount of € 1.3 million relates to VAT and impaired the Company's extraordinary and non-operating income for the year 2001. Such amounts have been restated for reasons of autonomy of each accounting period.

On the basis of new information supplied in relation to the dates on which claims under litigation against Piraeus Port Authority arose, it became possible to allocate the provision established to the net worth of the proforma financial statements of the years 1998 – 2000 by the amounts of € 16,081,000, € 16,613,000 and € 18,001,000, respectively. Given that a provision of € 19,323,000 has already been established, the additional restatement of the proforma financial statements is of the order of € 3,242,000, € 2,710,000 and € 1,322,000, respectively.”

II) Published (Statutory) Financial Statements for the year 2001

The amount of approximately € 1.5 million that is included under Assets Account C1: “Research and development expenses” must be written off and charged to the Company's net worth as at 31.12.2000, given that it pertains to the Legal Entity of Public Law, in the absence of data and sufficient supporting evidence.

In the course of review of the appropriateness of attribution of income and expenses to the relevant periods, it emerged that an algebraic sum of approximately € 786,000 should increase the results of the year 2001. The effect to net worth is € 587,000.

The “Sundry Debtors” account of Assets includes receivables from assessed parking ticket fines of an approximate amount of € 751,000, which originate from the Legal Entity of Public Law (before 1.6.1999). In relation to such amount, the Committee of Article 9 of C.L. 2190/1920 had established a provision of approximately € 587,000, which has impaired the Company's net worth for the year 2001, while the balance of € 164,000 should equally have been written off and impair the net worth for 2001.

On the basis of the updates to the legal due diligence report in relation to the dates on which claims under litigation filed by third parties against Piraeus Port Authority arose, it became possible to allocate the provision effected on the results of the financial statements prepared by Piraeus Port Authority (both proforma and statutory). The effect of such allocation to net worth is € 290,000.

As stated above, in addition to the provision of € 30,033,000 for bad debts from customers in forced collection that had been established until 31.12.2002, the Chartered Auditors of the Company included an observation in the audit certificate, concerning an additional provision required for doubtful customers, amounting to € 13 million. As regards the year 2001, it is proposed to charge such provision partly to net worth for the amount of € 10,270,000 (since that was the amount of the provision proposed as at 31.12.2001) and by € 4.93 million to the 2001 profit & loss account, since this represents the increase of the outstanding amount receivable from customers in forced collection within the accounting period (with a corresponding credit of earnings).

On the basis of the results of the tax audit for the year 2001 (that took place during the first half of 2002), additional income tax obligations of € 1,589,000 resulted, which impaired the Company's net worth for the year 2002. Such amount has been restated for reasons of accounting autonomy of the periods reviewed.

III) Published (Statutory Financial Statements for the year 2002

No data or analyses were found in support of the amount of approximately € 1,500,000 that is included in Assets account C1 "Research and development expenses". As we have been informed by the Company, such amount relates to preliminary expenses for projects that were transferred from the Legal Entity of Public Law. The Company was not in a position to confirm the nature of such expenses or to allocate them to the specific projects to which they relate. In our opinion, such amount must be written off and impair the Company's net worth as at December 31, 2001 (and, consequently, the net worth as at December 31, 2002), since it relates to the legal entity of public law. In addition, the corresponding depreciation for the year 2002, of an amount of € 300,000, must be written off, to the benefit of results of operation.

The review of appropriateness of the attribution of expenses to the pertinent year indicated that an algebraic sum of € 439,000 should have increased the results of the year 2002. The effect to net worth is € 148,000.

The retroactive increases of port workers' wages for the year 2002 (increase of 3.6% for the first half of the year and increase of 1.8% for the second half), on the basis of the National General Collective Labour Agreement, equal to € 1,184,000, have been recorded in the results of the year 2003.

The "Customers on credit" account includes customer balances of an aggregate amount of approximately € 1,350,000, which relate to invoices for wreck charges of the year 2002. In view of the fact that collection of such invoiced amounts is doubtful, we propose that such amount be written off and impair the Company's results.

In addition to the provision of € 30,033,000 for bad debts from customers in forced collection that had been established until 31.12.2002, the Chartered Auditors of the Company included an observation in the audit certificate, concerning an additional provision required for doubtful customers, amounting to € 13 million, such as to adjust the balance of the "customers in forced collection" account to the amount expected to be collected.

On the basis of the findings of the tax audit for the year 2002, fines, taxes and surcharges of approximately € 773,000 arose.

10.1.20 Provisions for Risks and Expenses

The balance of the "Provisions for Risks and Expenses" account as at 31.12.2002 rose to € 26.1 million.

The balance of the "Provisions for Risks and Expenses" account for the period 1998 – 2002 is analyzed as follows:

ANALYSIS OF THE “PROVISIONS FOR RISKS AND EXPENSES” ACCOUNT

DESCRIPTION OF ACCOUNT (in € 000)	1998	1999	2000	2001	2002
Provisions for staff compensation	5,600	5,911	6,222	6,222	6,222
Other provisions	19,321	19,321	19,321	19,908	19,908
TOTAL	24,920	25,232	25,543	26,130	26,130

KPMG Kyriakou Auditors S.A., the company which prepared the pro forma financial statements, has made the following remarks: *“The provision for staff compensation was first established on 31 January 2001 by the Company’s Management. The provision was accepted by the Committee of Article 9 of Codified Law 2190/1920. The provision for staff compensation is not a result of an actuarial study but was determined on the basis of compensation amounts to which Company employees are entitled. For the purposes of the pro forma Financial Statements, the amount of € 311,000 was charged to the “Provisions for contingencies” account in the results of each year, while the remaining provisions, of € 5.3 million for 1998, € 5.6 million for 1999 and € 5.9 million for 2000 were charged to the previous years. The “Other provisions” account of € 19.3 million refers to third party claims under litigation against PPA, as specified by the Committee of Article 9, Codified Law 2190/1920, as at 31 January 2001. The provision was calculated on a percentage basis according to an assessment of the court cases evolution by the Company’s competent Legal Department.”*

The financial auditor – accountant that performed the extraordinary financial – accounting audit notes, in connection with the two annual published (statutory) financial statements prepared by the Company:

“The financial statements as at 31.12.2001 and 2002 present a provision for staff compensation due to retirement, as established by the Committee of Article 9 of C.L. 2190/1920, equal to € 6,222,000. The Company has re-calculated the amount of the provision for staff retirement as at 31.12.2002 and determined that its amount is sufficient. Our review of calculations identified no exceptions.

In the course of the years under review, part of the Company’s regular staff retired. The compensation paid (€ 490,000 and € 292,000 for the years 2001 and 2002, respectively) burdened the results of operation for the years reviewed, while they should have decreased the provision already established, which should have been correspondingly increased. However, such accounting treatment does not affect profit and loss or the Company’s net worth for the years 2001 and 2002.”

In relation to the necessity for any additional provision, the independent financial auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“The retroactive increases of port workers’ wages for the year 2002, on the basis of the National General Collective Labour Agreement rose to € 1,184,000 (increase by 3.6% for the first half of the year and increase by 1.8% for the second half of the year) and were recorded in the results of operation for the year 2003. In order to reflect appropriately the time such obligation arose, it is proposed that a restatement be made to the profit and loss account for the year 2002.

It is noted that the respective retroactive increases of wages of the Company’s port workers for the year 2001, on the basis of a resolution of the Board of Directors dated 1.8.2001 (increase by 1.8% for the first half of the year and increase by 1.5% for the second half of the year) were appropriately included in the results of the year 2001.

Our review of the appropriateness of entry of income and expense for the years under review indicated that an algebraic sum of € 786,000 and € 439,000 should have increased the results of the years 2001 and 2002, respectively. An analysis of such amounts and their effect to net worth for the years reviewed is included in the restatement table.

In accordance with Law 2932/2001, the cost to IKA and IKA – ETEAM that arose as a result of the application of Articles 18 and 19 of Law 2688/1999 and relates to actuarial differences related to the periods until May 1, 1999 (the time of entry into force of the said law), as well as the cost to IKA and IKA – ETEAM from the payment of pensions to pensioners of PPA S.A., shall be borne by the Greek State.”

10.1.21 Long - Term Liabilities

The balance of the “Long-term bank loans” account, which relates to the long-term loan agreed between the Company and the European Investment Bank in 1991 (€ 29.2 million) rose to € 20.5 million as at 31.12.2002, compared to € 23.4 million in 2001.

BALANCE OF “LONG-TERM LIABILITIES” ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 <i>(in € 000)</i>	31/12/1999 <i>(in € 000)</i>	31/12/2000 <i>(in € 000)</i>	31/12/2001 <i>(in € 000)</i>	31/12/2002 <i>(in € 000)</i>
Bank loans	29,241	29,241	26,317	23,393	20,469
Total	29,241	29,241	26,317	23,393	20,469

The proceeds of the said loan were utilized for the construction of the western section of Pier II of the Container Terminal at New Ikonion.

Specifically, by virtue of financing agreement FI 4.8244/21.12.1995 between the (then) Piraeus Port Authority and the European Investment Bank (EIB), EIB extended a loan of a principal amount of € 29.2 million, for the financing of the project related to the design, construction and commissioning of the Ikonion II Container Terminal (Eleftherios Venizelos); such project commenced in 1994 and related to the construction of port infrastructure, as well as to the procurement of corresponding machinery (Post Panamax gantry cranes, straddle carriers, tractors, forklifts, etc.).

The Company’s equity capital was not sufficient to support the total investment cost of the project (an aggregate of € 74 million), due to the extensive investment activity during such specific period.

Piraeus Port Authority invested funds of € 29.2 million in relation to the said project.

Repayment of the above loan has been scheduled to take place in ten (10) consecutive annual instalments, payable during the period commencing on September 15, 2001 and expiring on September 15, 2010. Payment of interest is effected quarterly, on the 15th day of each of the months of March, June, September and December of each calendar year; the interest rate is determined by EIB per each quarterly reference (“rollover”) period.

It is noted that the project has been funded by the European Union Cohesion Fund, by an amount of € 13.8 million, as well as by the European Economic Area, both by means of a cash contribution of € 7.9 million and by an interest rate subsidy in relation to the EIB loan.

The project was completed in 1998 and has since been in full operation.

The loan is expected to be repaid in ten equal installments of € 2,924,000 until 2010.

10.1.22 Short – Term Liabilities

The Company's short-term obligations as at 31.12.2002 rose to € 47.1 million and are analyzed as follows:

ANALYSIS OF "SHORT-TERM LIABILITIES" ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 (in € 000)	31/12/1999 (in € 000)	31/12/2000 (in € 000)	31/12/2001 (in € 000)	31/12/2002 (in € 000)
Suppliers	1,657	5,257	3,370	2,065	3,600
Customer advance payments	5,023	9,143	10,847	12,188	2,975
Long-term obligations payable in the following year	0	0	2,924	2,924	2,924
Dividends payable	0	0	3,815	4,842	6,000
Obligations from taxes and duties	3,102	3,516	8,922	16,015	11,885
Social Security Funds	264	1,937	2,003	2,081	2,227
Sundry creditors	887	7,399	5,805	3,849	17,498
Total	10,933	27,252	37,750	43,964	47,109

Note: Any deviation in the sums is due to the rounding of individual amounts.

i) Suppliers

The balance of the "Suppliers" account as at 31.12.2002 rose to € 3.64 million. The following table presents an analysis of the most important suppliers active during the period between 1.01.2001 and 31.12.2002:

DESCRIPTION OF ACCOUNT	31.12.2001 (in € 000)		31.12.2002 (in € 000)	
	Turnover	Balance	Turnover	Balance
TZOUMERKAS TECHNICAL	94	12	270	1
EVANGELOU BROS G.P.	149	0	384	0
EKO – ELDA (i)	2,133	206	2,145	193
ENVIRONMENT PROTECTION TECHNICAL S.A.	266	21	252	21
MEVGAL S.A.	177	17	185	0
ALSTOM S.A.	32	2	179	13
HELLAS FLYING DOLPHINS	184	25	155	61
LOBBE TZILALIS JOINT VENTURE (ii)	1,188	92	1,121	91
LOBBE TZILALIS (ii)	527	28	423	27
H. ROKAS METALLURGY OF ARCADIA (iii)	1,293	27	10,575	169
MICHELIN TYRES S.A. (iv)	0	0	566	524
JOHN VLAD. ANDREADELLIS (METALUMIN CON)	550	2	179	14
G.N. MOUSTAKAS S.A.	99	99	108	105
INTRACOM - INTRASOFT (v)	2,265	718	1,161	1,094
ARTHUR ANDERSEN	0	0	226	35
TSIKNIAS S.A.	0	0	346	0
THOLOS S.A.	0	0	965	0
KLEARCHOS G. ROUTSIS (vi)	4,095	0	7,562	0
TERKAT S.A.	690	0	807	0
HESPEROS TECHNICAL S.A.	1,169	0	770	0
AEGEK (vii)	5,063	0	7,228	0

DESCRIPTION OF ACCOUNT	31.12.2001 (in € 000)		31.12.2002 (in € 000)	
	Turnover	Balance	Turnover	Balance
CONTANTINE G. GHIOKAS	173	0	723	0
PAPADAKIS JOINT VENTURE	0	0	797	0
OTHER SUPPLIERS (balances under € 100,000)		816		1,252
TOTAL	20,147	2,065	37,127	3,600

Note: Any deviation in the sums is due to the rounding of individual amounts.

Suppliers relate to the following:

- (i) Fuel supplier
- (ii) Provision of port cleaning services
- (iii) Construction and repair of gantry cranes and cranes of PPA S.A.
- (iv) Supplier of tyres for mobile cranes of PPA S.A.
- (v) P-MIS software (electronic link of port and data management)
- (vi) Construction of new works for the remodelling and conversion of the central port into a passenger port and construction of land works on Vassileiadis coast and the Palataki area
- (vii) Construction of remodelling works at the Piraeus central port and the Palataki area.

In accordance with the Company's management, the increase in 2002 is mainly due to the significant value of procurement of tyres, two gantry cranes, the installation of fire safety equipment and the cost of maintenance of gantry cranes and other machinery.

The account presented a reduced balance in 2001, due to the fact that in 2000 it had been charged with the cost of electrification of gantry cranes, repair of the Exhibition Hall due to earthquake and the cost of procurement of software from Intrisoft.

ii) Customer Advance Payments

As at 31.12.2002 the balance of the "Customer Advance Payments" account rose to € 3 million.

The independent financial auditor – accountant who performed the extraordinary financial – accounting audit notes:

"The Company adopts the practice of collecting part of its fees (50% - 80% of the anticipated income) as an advance payment and to demand additional advance payments whenever deemed appropriate. The advance payments account is debited and credited upon the collection of advance payments and the payment for the specific services to which such advance payments relate."

In accordance with the Company's management, in the course of creation of a client registry in October 2002, customer balances from services invoiced were set off against respective advance payments, which led to a reduction of the balance of the account for the year 2002.

iii) Long-term Obligations payable in the following year

As at 31.12.2002 the balance of the "Long-term obligations payable in the following year" account rose to € 2.9 million and relates to the third installment of the European Investment Bank loan.

The independent financial auditor – accountant who performed the extraordinary financial – accounting audit notes:

“The account relates to the short-term portion of the long-term loan with the European Investment Bank. On 15.9.2002 the third annual loan installment was paid, of an amount of € 2,924,000. Recalculation of accrued interest on the loan indicated no exception.

The long-term portion of the loan is reported on Liabilities CI2 account “Bank Loans”. The loan is expected to be repaid in 2010, following the payment of the remaining seven installments of approximately € 2,924,000 each.”

iv) Dividends Payable

The Ordinary meeting of the Company’s shareholders, dated 27.06.2002, approved the distribution of dividend for the second company year, equal to € 4.8 million. The dividend for 2002 is € 6 million.

v) Sundry Creditors

The balance of the “Sundry Creditors” account as at 31.12.2002 rose to € 17.5 million, compared to € 3.8 million as at 31.12.2001.

The balances of the account for the period 1998 – 2002 are presented in the following table:

ANALYSIS OF “SUNDRY CREDITORS” ACCOUNT 1998 - 2002					
DESCRIPTION OF ACCOUNT (in € 000)	1998	1999	2000	2001	2002
Prepayment of remuneration (i)		106	2,073	368	342
Staff remuneration		2,499	1,859	1,796	2,357
Subsidies (ii)					11,400
Other creditors (iii)	886	4,794	3,372	1,685	1,685
TOTAL	886	7,399	5,805	3,848	17,498

The independent financial auditor – accountant who performed the extraordinary financial – accounting audit notes:

“(i) As far as the year 2001 is concerned, the account mainly includes an obligation for the settlement of various allowances, advances, etc., payable to the staff.

(ii) The largest part of the account relates to withholdings of amounts in favour of third parties and especially social security funds (TEAPAEL, Consignments and Loans Fund and Marine Insurance Fund), associations and unions, while in 2002 it also includes the fees payable to the Greek State for the concession of the right to use and exploit fixed assets of the port (€ 1,398,000), on the basis of the respective agreement.

We have reviewed the balances of suppliers and various creditors as at 31.12.2001 and 31.12.2002 in order to identify any uncommon balances, large exposure or balances inactive for periods exceeding one calendar year. Our review identified no significant exception.”

The account relates to funds that were provided by the Greek State to the Company for the construction of Olympic works (buildings, sewage networks and demodelling of outdoors areas) in view of the 2004 summer Olympic Games. In accordance with the Company’s designated auditor – accountant, as payments are made for such works according to their progress, the “Subsidies” account will be debited and the “Blocked Capital” account will be credited, until such amounts are fully utilized.

10.1.23 Obligations for Taxes – Duties

The balance of the “Obligations for Taxes – Duties” account rose to € 11.9 million as at 31.12.2002.

The balance of the “Obligations for Taxes – Duties” account for the period 1998 – 2002 is presented in the following table:

ANALYSIS OF “OBLIGATIONS FOR TAXES – DUTIES” ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 <i>(in € 000)</i>	31/12/1999 <i>(in € 000)</i>	31/12/2000 <i>(in € 000)</i>	31/12/2001 <i>(in € 000)</i>	31/12/2002 <i>(in € 000)</i>
Income Tax ^(a)			7,359	14,172	9,674
VAT Obligations		2,902			
Salaried Employees’ Tax ^(b)				1,707	2,105
Other taxes ^(b)		614	1,563	136	105
Total	3,102	3,516	8,922	16,015	11,884

The above accounts “Other taxes – duties” and “Salaried employees’ tax” include balances of taxes payable and balances payable to IKA and other social security funds for current periods, which were timely paid.

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“(a) The account includes income tax for each year, as well as the tax advance for the years 2001 and 2002.

“(b) The above accounts include payable balances of taxes and other amounts to IKA and other social security funds for current periods, which were timely paid.

As we have been informed by the Company’s finance department, the Third Tax Office of Piraeus does not issue to PPA S.A. a certificate of tax good standing, in view of two orders for the non issuance thereof by the Municipalities of Perama and Drapetsona, relating to assessments of municipal taxes and duties against PPA S.A. Both municipalities have filed lawsuits in connection with the respective cases.

The Company has been audited by tax authorities for the year 2001 and, on the basis of the results of the audit (which took place in 2002), additional income taxes of approximately € 1,589,000 were assessed; such taxes impaired the Company’s net worth for the year 2002 and were reflected on the financial statements prepared in accordance with C.L. 2190/1920. We note the fact that the results of the year 2001 had been impaired with VAT audit differences of approximately € 1,314,000 that related to the periods up to 31.12.2000. For reasons of accounting autonomy of each period, such amounts have been restated.

As regards the 2002, it has been fully audited for all categories of taxes; fines, taxes and surcharges of € 773,000 arose as a result of the tax audit and were paid by the Company, following a settlement, in June 2003.”

In accordance with the management of PPA S.A., the Company does not owe any overdue amounts in connection with taxes, social security contributions or amounts payable to banks.

10.1.24 Social Security Funds

The balance of the “Social Security Funds” account rose to € 2.2 million in 2002.

The development of the balance of the “Social Security Funds” account for the 1998 – 2002 period is presented in the following table:

ANALYSIS OF “SOCIAL SECURITY FUNDS” ACCOUNT 1998-2002					
DESCRIPTION OF ACCOUNT	31/12/1998 <i>(in € 000)</i>	31/12/1999 <i>(in € 000)</i>	31/12/2000 <i>(in € 000)</i>	31/12/2001 <i>(in € 000)</i>	31/12/2002 <i>(in € 000)</i>
IKA ^(a)		1,180	1,115	1,157	1,444
Contributions to TAEP AEL		722	763		
Other Main Social Security Funds ^(a)				7	10
Ancillary Funds ^(a)		36	124	842	692
Social security contributions – Greek State ^(a)				75	81
Total	264	1,938	2,002	2,081	2,227

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes that:

“The above accounts include balances of taxes and other amounts payable to IKA and other social security funds for current periods, which were timely paid.”

10.1.25 Advances and Deferred Obligations

The balance of the “Advances and Deferred Obligations” account rose to € 2.4 million as at 31.12.2002 and related to income of subsequent years of € 1.5 million (assessed fines from parking tickets), which were not reported as income, but in transitional balance sheet accounts for reasons of conservative reporting, as well as expenses of the year of € 814,000 that relate to the Company’s obligations to various utilities, together with the proportion of the provision for the Christmas salary allowance.

The following table presents an analysis of the account as reported in the two annual published (statutory) financial statements prepared by the Company:

ANALYSIS OF ADVANCES AND DEFERRED OBLIGATIONS		
2001-2002		
DESCRIPTION OF ACCOUNT	31/12/2001 <i>(in € 000)</i>	31/12/2002 <i>(in € 000)</i>
Income of subsequent years ^(a)	1,035	1,577
Utilities – Christmas allowance ^(b)	527	814
Total	1,562	2,391

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“(a) The account relates, almost in its entirety, to claims for assessed parking fines, which were not reported as income, but presented in this account, for reasons of conservative reporting. The Company shall report relevant income upon collection.

“(b) The figures include accrued expenses that relate to the years ended 31.12.2001 and 2002. The largest amount relates to electrical power (Public Power Corporation) of approximately € 294,000 (2001: approximately € 130,000), water charges (EYDAP) of approximately € 297,000 (2001: approximately € 231,000) and telecommunications charges (OTE) of approximately € 130,000 (2001: approximately € 122,000).”

10.1.26 Liabilities Memo Accounts

The Company's memo accounts as at 31.12.2002 rose to € 8.2 million and related to letters of guarantee for the good performance of works in progress.

The following table presents an analysis of the balance of the account as at 31.12.2001 and 2002:

ANALYSIS OF MEMO ACCOUNTS 2001-2002		
DESCRIPTION OF ACCOUNT	31.12.2001 (in € 000)	31.12.2002 (in € 000)
Letters of guarantee for the good performance of contracts	9,830	8,213
TOTAL	9,830	8,213

The chartered auditor – accountant who performed the extraordinary financial – accounting audit notes the following:

“These accounts mainly report the letters of guarantee received by the Company for the good performance of works and procurement contracts. We have received an analytical list of letters of guarantee and have reconciled such list with the balance of the memo accounts, without identifying any exception.”

Financial Indicators 1998 - 2002

FINANCIAL INDICATORS	1998	1999	2000	2001	2002
GROWTH RATIOS (%)					
Turnover	(1)	1.86%	11.22%	-2.78%	11.47%
Earnings before Tax	(1)	2.27%	-45.55%	90.24%	4.52%
PROFIT MARGIN RATIOS (%)					
Gross Profit	42.51%	40.19%	36.06%	31.19%	28.27%
Net Profit	25.48%	25.58%	12.53%	24.51%	22.98%
EFFICIENCY RATIOS (before tax %)					
Average Equity Capital	34.56%	36.67%	13.20%	22.45%	21.5%
Average Total Capital Employed	21.81%	19.55%	8.66%	13.52%	13.2%
TURNAROUND RATIOS (days)					
Stocks ⁽²⁾	69.8	21.9	17.0	20.5	17.7
Receivables ⁽³⁾	108.2	127.6	141.0	158.9	127.9
Suppliers		10.6	24.9	15.1	8.0
LEVERAGE RATIOS (:1)					
Debt/Equity	0.84	1.12	0.90	0.85	0.79
Obligations to Banks/Equity Capital	0.37	0.39	0.26	0.21	0.17
LIQUIDITY RATIOS (:1)					
General Liquidity	5.09	2.61	2.90	2.68	2.34
Current Liquidity	4.01	2.47	2.81	2.58	2.25
FINANCIAL COST RATIOS (%)					
Financial Expenses/ Gross Profit	9.23%	6.92%	6.11%	3.87%	2.6%
Financial Cost / Earnings before Taxes for the Year plus Debit Interest	13.34%	9.81%	14.97%	4.69%	3.1%

⁽¹⁾ Due to the non existence of proforma financial statements for the period between 1.01.1997 and 31.12.1997, it is not possible to calculate such ratios for the year 1998.

The following is an analysis of the development of financial indicators:

Growth Ratios

In 2002, the Company's turnover noted an increase of 11.47% compared to 2001 and rose to € 130.1 million, compared to € 117.4 million in 2001. The increase is mainly due to the increase of container shifts and the increase of container storage tariffs.

The Company's profitability increased by 4.5% and rose to € 30 million in 2002, compared to € 28.8 million in 2001.

Profit Margin Ratios

In 2002, the gross profit margin ratio rose to 28.3%, compared to 31.2% in 2001. Such decrease is due to the fact that, despite an increase of turnover in 2002, expenses increased at a higher rate, most notably payroll expenses, as well as the concession fee payable to the Greek State.

In 2002, the net profit margin ratio rose to 22.3%, compared to 24.5% in 2001. Such decrease is attributable to the same reasons described above in connection with the gross profit margin ratio.

Efficiency Ratios

In 2002 the efficiency of equity capital rose to 21.5%, compared to 22.4% in 2001. Such reduction is mainly attributable to the increase of equity capital by 9% (due to the increased profits carried forward to 2002).

In 2002 the efficiency of total capital employed rose to 13.2%, at approximately the same levels as in 2001 (13.5%).

Turnaround Ratios

In 2002, the stocks turnaround ratio rose to 17.7 days, compared to 20.5 days in 2001.

In 2002, the receivables turnaround ratio rose to 128 days, compared to 159 days in 2001.

In 2002, the suppliers turnaround ratio rose to 8 days, compared to 15 days in 2001.

Leverage Ratios

The debt to equity ratio rose to 0.5 in 2002, compared to 0.54 in 2001. The reduction is mainly attributable to the increase of equity capital.

The Company's lending ratio (Obligations to banks over equity capital) noted a drop in 2002 compared to 2001, rising to 0.21 and 0.17, respectively. The reduction is mainly due to the increase of equity capital and the reduction of bank lending, due to the gradual repayment of the Company's loan obligations, which rose to € 23.4 million in 2001 and € 20.5 million in 2002.

Liquidity Ratios

In 2002, general liquidity rose to 2.34, noting a slight drop compared to 2001, when it rose to 2.68. Such drop is due to the increase of the Company's short-term liabilities (from € 44 million to € 47 million) and the reduction of its current assets (from € 122 million to € 113 million).

In 2002, the current liquidity ratio rose to 2.25, compared to 2.58 in 2001. Such reduction is due to the higher rate of increase of the Company's short-term liabilities, compared to the increase of its current assets, excluding inventory stocks.

Financial Cost Ratios

The Company's financial cost is significantly reduced due to its limited borrowing (€ 20 million of loans on an aggregate of € 236 million of liabilities).

In 2002, the Company's ratio of financial cost to gross profit rose to 2.6%, compared to 3.87% in 2001, while the ratio to earnings before tax and debit interest rose to 3.1% in 2002, compared to 4.69% in 2001.

EVOLUTION INDICATORS

Turnover =	$\frac{[(\text{Current Year's Turnover} - \text{Past Year's Turnover}) / \text{Past Year's Turnover}] * 100}{}$
Earnings Before Tax =	$\frac{[(\text{Current Year's Earnings Before Tax} - \text{Past Year's Earnings Before Tax}) / \text{Past Year's Earnings Before Tax}] * 100}{}$
Earnings After Tax for the Year & Board fees =	$\frac{[(\text{Current Year's Earnings After Tax for the Year (Total Tax) \& Board Fees} - \text{Past Year's Earnings After Tax for the Year \& Board fees}) / \text{Past Year's Earnings After Tax for the Year \& Board fees}] * 100}{}$
Tangible Assets (Acquisition Value) =	$\frac{[(\text{Current Year's Tangible Assets} - \text{Past Year's Tangible Assets}) / \text{Past Year's Tangible Assets}] * 100}{}$
Total Capital Employed =	$\frac{[(\text{Current Year's Total Liabilities} - \text{Past Year's Total Liabilities}) / \text{Past Year's Total Liabilities}] * 100}{}$

PROFIT MARGIN (%)

Gross Profit =

Gross Profit (before Depreciation) / Turnover

Net Profit =

Earnings before Tax / Turnover

EFFICIENCY RATIOS (before tax) (%)

Equity Capital Average =

$\{[(\text{Current Year's Earnings Before Tax} / [(\text{Current Year's Equity Capital} + \text{Past Year's Equity Capital}) / 2]) * 100]$

Total Capital Employed Average =

$(\text{Current Year's Earnings Before Tax} + \text{Debit Interest}) / [(\text{Current Year's Total Liabilities} + \text{Past Year's Total Liabilities}) / 2] * 100$

TURNAROUND RATIOS (days)

Receivables =

$[(\text{Current Year's Customers, Bills \& Cheques Receivable} \& \text{Current Year's Overdue Bills \& Cheques}) / \text{Current Year's Turnover}] * 365$

Suppliers =

$[(\text{Current Year's Suppliers, Bills \& Cheques Payable}) / \text{Current Year's total purchasing}] * 365$

Inventory =

$(\text{Current Year's Stock} / \text{Sold Items Cost before Current Year's Depreciation}) * 365$

DEBT RATIOS (:1)

Debt / Equity =

$(\text{Long-Term Liabilities} + \text{Short Term Liabilities} + \text{Accruals \& Deferred Income} + \text{Provisions}) / \text{Total Equity}$

Bank Loans / Equity =

$(\text{Long-Term Bank Loans} + \text{Short-Term Liabilities to Banks} + \text{Liabilities to Banks payable in the forthcoming Year}) / \text{Total Equity}$

LIQUIDITY RATIOS (:1)

General Solvency =

$(\text{Current Assets} + \text{Prepayment \& Deferred Expenses}) / (\text{Total Short-Term Liabilities} + \text{Accruals \& Deferred Income})$

Current Liquid Assets =

$(\text{Current Assets} + \text{Prepayment \& Deferred Expenses} - \text{Stock}) / (\text{Short-Term Liabilities} + \text{Accruals \& Deferred Income})$

Operating Cashflow / Financial Expenses =

Operating Cashflow / Debit Interest

Operating Cashflow / Total Taxes =

Operating Cashflow / Current Year's Total Taxes

FINANCIAL COST RATIOS

Financial Expenses / Gross Profit

Debit Interest / Gross Profit Before Depreciation

Financial Expenses / Earnings Before Interest & Tax

Debit Interest / (Earnings Before Tax + Debit Interest)

Sources and Uses of Capital, 2002

The Sources and Uses of capital for the year 2002 are based on the published (statutory) financial statements of PPA S.A. for 2001 and 2002. Due to the fact that the 2000 company year exceeded 12 months (1.6.1999 – 31.12.2000), it is not possible to present cashflows and sources and uses of capital between the years 2000 and 2001.

SOURCES AND USES OF CAPITAL, 2002	
	<i>(in € 000)</i>
SOURCES OF CAPITAL	
Profits before Tax	30,071
Depreciation	6,173
Provisions	0
Increase of Long-Term Bank Loans	0
Reduction of working capital	0
TOTAL	36,244
USES OF CAPITAL	2002
Increase of Working Capital	6,561
Net Change to Establishment Expenses	796
Net Change to Intangible Assets	201
Net Change to Tangible Assets	24,061
Increase of Participations	37
Reduction of Long-Term Bank Loans	2,924
Board of Directors Fees and Staff Remuneration	0
Dividends	6,000
Taxes for the Year and differences of Tax Audits for Past Years	12,272
Change in Treasury Assets	-16,609
TOTAL	36,244

Note: Any deviation in the sums is due to the rounding of individual amounts.

Cashflow Table 2002

The Company's cashflows for the 2002 period are presented below:

CASH FLOWS, 2002 – 2001 (in € 000)	2002
CASH FLOWS	
Net profits after taxes and Board of Directors fees	19,388
Minus: Taxes following tax audit of previous years	1,589
Plus: Depreciation	6,173
Minus: Provisions	0
Minus: Utilization of Provisions	0
Minus: Dividends payable	6,000
Gross Cash Flow	17,972
Minus: Operating Cash Requirements	
Increase/(Decrease) in:	
Customers – Negotiable Instruments for collection	-4,457
Blocked Deposits accounts	11,400
Sundry Debtors	1,526
Advances and Credits Accounts	3
Inventory Stocks	16
Securities	0
Prepayments and Accrued Income	2,048
Plus: Operating Cash Sources	
Increase/(Decrease) in:	
Suppliers – Negotiable Instruments Payable	1,535
Customer Advance Payments	-9,213
Taxes – Duties	-4,130
Social Security Funds	146
Dividends payable	1,158
Sundry Creditors	13,649
Advances and Deferred Expenses	830
Total Operating Cash Sources (B)	3,975
Changes to Working Capital (A-B)	-6,561
Net Operating Cash Flow	11,411
Minus: Non-operating Cash Requirements	
Net Change to Establishment Expenses	796
Net Change to Tangible Assets	24,061
Net Change to Intangible Assets	201
Participations and other long-term receivables	37
Reduction of Long-Term Obligations to Banks	2,924
Plus: Non-operating Cash Sources	
Share Capital Increase through cash payments	0
Increase of Long-term Obligations to Banks	0
Net Change to Subsidies	
Differences from adjustment of reserves	
Total non-operating Sources	0
CHANGES TO CASH AND TREASURY ASSETS	-16,608

Note: Any deviation in the sums is due to the rounding of individual amounts.

11. Accrual Activity Information based on the 2000 Published (Statutory) Financial Statements

This chapter presents in summary the Company's accrual activity information as shown in the published (statutory) financial statements of PPA S.A. for 2000, i.e., its first accounting year. It is noted that, during the first company year, which exceeded twelve months, the Company's valuation had not been completed by the Committee of Article 9; as a result, financial data are not indicative of the Company's financial structure. For ease of comparison with the two subsequent accounting periods (2001, 2002), the previous chapter presents data derived from the 1998 – 2000 proforma financial statements.

11.1 Evolution of Operations - Published (Statutory) Results

The following table presents the evolution of PPA S.A.'s published results for the 1.06.1999 - 31.12.2000 period:

TABLE OF PUBLISHED (STATUTORY) RESULTS FOR THE 2000 ACCOUNTING PERIOD	
ACCOUNTING PERIOD	1/06/1999 – 31/12/2000 (in € thousand)
Turnover	179,001
Less: Sales Cost	129,738
Gross Profits (before depreciation)⁽¹⁾	49,263
(% of turnover)	27.5%
Plus: Other Operating Income	7,353
Total	56,617
Less: Administration Expenses	20,730
Distribution Expenses	0
Total Expenses	20,730
(% of turnover)	11.6%
Operating Result (before depreciation)⁽¹⁾	35,887
(% of turnover)	20.0%
Plus: Exceptional & Non-Operating Income	517
Extraordinary Profits	15
Revenues from previous years' provisions	0
Less: Exceptional & Non-Operating Expenses	12
Extraordinary Losses	9
Expenses of previous years	0
Provisions for contingent risks	0
Earnings before Interest, Depreciation and Tax	36,398
(% of turnover)	20.3%
Plus: Credit Interest and Similar Income	8,107
Less: Debit Interest and Similar Expenses	4,266
Earnings before Depreciation and Tax	40,239
(% of turnover)	22.5%
Less: Depreciation (total)	24,708
Earnings before Tax	15,531
(% of turnover)	8.7%
Less: Taxes for the year and other taxes	4,674
Less: Board of Directors Fees	0
Earnings after tax for the year and Board of Directors fees	10,858
(% of turnover)	6.1%

Note: Any divergence in sums is due to the rounding of individual amounts.

In order to calculate Gross Profit and Operating Result, the corresponding depreciation has been deducted from the sold items cost and the administration expenses indicated in the published financial statements.

11.2 Analysis of the 2000 Published (Statutory) Financial Statements

The following table presents the Company's summary Balance Sheet items for the year 2000.

BALANCE SHEET ITEMS AS AT 31.12.2000	
YEAR	2000
	<i>(in € thousand)</i>
ASSETS	
Establishment Expenditures	5,738
Less: Accumulated Depreciation	1,818
Non-depreciated Establishment expenditures	3,920
Intangible Assets	2,213
Less: Accumulated Depreciation	710
Non-depreciated Intangible Assets	1,504
Tangible Assets	267,126
Less: Accumulated Depreciation	87,615
Non-depreciated Tangible Assets	179,511
Participations and other long-term financial receivables	1.2
TOTAL FIXED ASSETS	181,015
Stocks	5,949
Accounts Receivable (Customers)	46,991
Bad Debts	289
Sundry Debtors	13,649
Securities	0
Cash and Treasury Assets	82,921
TOTAL CURRENT ASSETS	149,799
PREPAYMENT AND DEFERRED EXPENSES	0
TOTAL ASSETS	334,735
LIABILITIES	
Share Capital	35,510
Reserve Capital	587
Retained Earnings	6,456
Amounts intended for capital increase	196,713
TOTAL EQUITY CAPITAL	239,265
PROVISIONS	23,432
Long-term Bank Loans	26,317
Other Long-Term Liabilities	0
TOTAL LONG-TERM LIABILITIES	26,317
Accounts Payable (Suppliers)	3,370
Customer Advance Payments	18,319
Sundry creditors	5,171
Long-term Liabilities payable in the forthcoming year	2,988
Liabilities from Taxes and Duties	8,922
Insurance Organisations	2,003
Payable Dividends	3,815
TOTAL SHORT-TERM LIABILITIES	44,588
ACCRUALS AND DEFERRED INCOME	1,132
TOTAL LIABILITIES	334,735

Note: Any divergence in sums is due to the rounding of individual amounts.

The notes of the designated Chartered Auditors – Accountants to the financial statements for the 2000 period exceeding twelve months are as follows:

“1. The share capital of PPA S.A, established by virtue of Law 2688/1999 following the transformation of PPA from a Legal Entity of Public Law, as well as the quantum of all accounts of the balance sheet shall be definitively determined following the inventory and valuation of the Committee of Article 9 of Codified Law 2190/1920, which should have been completed.

2. The € 23.4 million balance of the “Provisions” account is not sufficient in our opinion to cover damages that may arise in connection with claims of an aggregate amount of € 38.6 million included on the balance sheet and considered as being doubtful to the largest extent, as well as with non reported potential liabilities from claims in litigation brought by third parties against the Company, of an aggregate amount of approximately € 38.1 million.

3. The earnings of the period: (a) have been increased by the amount of € 12.7 million corresponding to interest income of the Legal Entity of Public Law, which could not be reported on its books, due to the accounting model (Public Accounting Model) previously implemented; (b) have been impaired by the amount of approximately € 18.6 million, corresponding to the cost of repair of damages caused by earthquake; part of such amount, which cannot be quantified, corresponds to enhancements of fixed assets. The definitive regularization of the value of fixed assets remains to take place following the imminent valuation by the Committee of Article 9 of Codified Law 2190/1920.

4. Our review cannot verify the balances of the accounts “Customers on Credit”, due to the fact that analytical accounts are not kept. In general, procedures must be immediately implemented for the data processing support of the company and its accounting systems, as well as for the better accounting organization.

5. On the basis of Opinion number 205/88 of the plenary session of legal counsel for the State administration, the Company has not established a provision for staff remuneration due to retirement, since no employee may substantiate a right of retirement in the following years. In the event the Company had established a provision for staff retirement in accordance with Article 42 (e), paragraph 14 of C.L. 2190/1920 as at 31.12.2000, the amount of such provision would have been approximately € 6.2 million.

6. No tax audit has been effected on Piraeus Port Authority as a Legal Entity of Public Law; PPA S.A. is the glogal successor of such entity.”

The notes of the Company to the financial statements for the first company year that exceeded twelve months are as follows:

“1. Up until the time of preparation hereof, no Committee had been composed, as proposed to be established under Article 5, par. 3 of the company’s Articles of Incorporation in accordance with Article 9 of Law 2190/1920 for the inventory and valuation of the assets conveyed to PPA S.A. by PPA as a Legal Entity of Public Law.

2. As a result of the above: (a) the balances of Assets and Liabilities of the above accounts incorporate the accounting balances of the balance sheet of PPA as a Legal Entity of Public Law, as at 31.05.1999; (b) accrued depreciation to fixed assets up until 31.05.1999 have been reported; and (c) depreciation on fixed assets has been calculated on the non-depreciated value of assets, while in connection with assets acquired by PPA S.A. during the period between 1.06.1999 and 31.12.2000, depreciation has been calculated on the acquisition cost

11.1.1 Adaptation and reconciliation of the pro forma Balance Sheet for the Period exceeding 12 months with the Published (Statutory) Balance Sheet for the Year 2000

The following table explains the differences in figures between the pro forma Assets and Liabilities accounts as at 31.12.2000 (as such accounts were prepared by KPMG Kyriakou Auditors S.A.) and the relevant figures presented on the published (statutory) Balance Sheet as at 31.12.2000.

FINANCIAL STATEMENT RECONCILIATION TABLE			
(in Euros)	Published Figures as at 31/12/2000	Pro forma figures for the 2000 Period exceeding 12 Months	Difference
BALANCE SHEET			
ASSETS			
Establishment Expenditures	3,920,300	4,207,768	- 287,468 (1)
Research & Development expenses	1,503,552	2,743,620	1,229,191 (2)
Tangible assets	179,510,573	88,011,729	91,498,844 (3)
Inventory (Stocks)	5,948,753	3,591,555	2,357,198 (4)
Customers on credit	9,865,391	9,509,082	356,309 (5)
Customers in forced collection	37,125,996	6,898,556	30,227,439 (6)
Bad debts	289,342		289,342 (7)
Greek State: prepaid taxes	10,895,411	7,417,642	3,477,769 (8)
Other debtors	1,223,094	636,153	586,941 (9)
Cash and Treasury Assets	82,921,252	83,269,542	- 348,290 (10)
LIABILITIES			
Equity	239,265,038	114,605,711	124,659,327 (11)
Other Provisions	23,432,322	19,320,961	4,111,361 (12)
Provisions for staff compensation		6,221,673	- 6,222 (13)
Customer advance payments	18,318,767	10,846,762	7,472,005 (14)
Payable staff salaries	1,508,950	1,858,965	- 350,015 (15)
Other creditors	3,448,447	3,732,179	- 283,732 (16)

- 1) Adaptation of depreciation for the pro forma financial statements. The Company has calculated software depreciation for the entire period, while it should have calculated depreciation as of the software acquisition date.
- 2) Refers to written-off acquisitions which are not documented by invoices and adaptation of depreciation for the pro forma financial statements.
- 3) Refers to fixed asset adaptation according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 4) Refers to a provision for stock devaluation according to the findings of the Committee of Article 9 of Codified Law 2190/1920, as well as part of the "Ongoing technical crew operations" which refers to ongoing repairs transferred to the profit & loss account.
- 5) Refers to customer credit notes issued in 2001 and pertaining to the period exceeding 12 months.
- 6) Refers to a provision for doubtful customers, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 7) Refers to written-off bad debts owed to the Company, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 8) Refers to pro rata VAT calculation recorded in 2001 and to a provision for a VAT debit balance according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 9) Refers to a provision for Company receivables from parking tickets, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 10) Refers to the difference in deposit accounts as at 31.12.2000, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.
- 11) The difference in equity is a result of the valuation carried out by the Committee of Article 9 of Codified Law 2190/1920.
- 12) Refers to adapted Company provisions for pending litigation cases, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.

- 13) *Refers to a calculation of staff compensation provision, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.*
- 14) *Refers to 2000 revenues recorded in the Company's books in 2001, as well as to written-off customer advance payments according to the findings of the Committee of Article 9 of Codified Law 2190/1920.*
- 14) *Refers to expenditures for employee benefits decided in 2001 and pertaining to the period exceeding 12 months, as well as to expenditures for benefits decided in 2001 and pertaining to the period exceeding 12 months.*
- 16) *Refers to a difference in the deposit accounts as at 31.12.2000, according to the findings of the Committee of Article 9 of Codified Law 2190/1920.*

12. Affiliated Companies

The Company has no subsidiaries or other affiliated companies. Furthermore, the members of the Company's Board of Directors represent that they do not own a percentage higher than 10% in the capital of the companies in which they participate, other than the ones mentioned in this Offering Circular.

It is noted that the Company's only shareholder is the Greek State, which holds a very large number of participations in companies and Legal Entities of Public Law. Due to their extensive nature, these participations are not included in this Offering Circular.

On the basis of a relevant letter of the Company's management: *"No business relationship, contract or agreement exists between the Company on the one hand and any of the entities in or for which the Company's directors or major shareholders own a shareholding interest or act as directors, except as otherwise disclosed in Chapter 12 of the Offering Memorandum."*

12.1 Companies in which PPA S.A. main shareholders or Directors participate

12.1.1 *Scientific Publications LTD*

The company was incorporated in 1992 and has its registered offices in Maroussi, 3. Panagi Tsaldari St. The company's activities comprise the publication of scientific documents, translation services, the publication and local representation of foreign scientific publications, the provision of marketing and advertising services, the organisation of scientific conferences and related events and the provision of public relations and promotion services.

Mr. Spyridon Alexandratos owns a 61% share in the company.

A summary of the company's financial aggregates is illustrated below:

SCIENTIFIC PUBLICATIONS LIMITED, 2000		
		(in €)
Equity Capital		49,890
Turnover		1,057,158
Pre-tax earnings		41,097
After-tax earnings		17,646

The company has no financial dealings with PPA S.A.

12.1.2 *APOLLONIA SPIRIT SHIPPING LIMITED*

The company was incorporated in 1995 and has its registered offices in Malta. The company own and operates ships. It is the whole owner of the ship "Apollonia Spirit", registered in Valetta, Malta.

Mr. Spyridon Alexandratos owns a 99% share in the company and is its Director.

A summary of the company's financial aggregates is given below:

APOLLONIA SPIRIT SHIPPING LIMITED, 2000	
	USD
Equity Capital	3,700,000
Turnover	2,122,090
Earnings (Tax-free)	374,074

12.1.3 APOLLONIA STAR SHIPPING CO LIMITED

The company was incorporated in 1995 and is based in Nicosia, Cyprus.

The company owns and operates ships. It is the whole owner of the ship "Apollonia Star", registered in Limassol, Cyprus.

Mr. Spyridon Alexandratos owns a 99% share in the company equity and is its Director.

A summary of the company's financial aggregates is shown below:

APOLLONIA SPIRIT SHIPPING LIMITED, 2000	
	USD
Equity Capital	2,650,000
Turnover	2,411,937
Earnings (Tax-free)	755,332

The company has no financial dealings with PPA S.A.

12.1.4 APOLLONIA LINES S.A.

The company was incorporated in 1985, it has its registered offices in Monrovia, Liberia and operates in Greece.

The company is involved in ship management, operation and chartering, average settlement, intermediation (brokerage) in transfers, shipbuilding or chartering of Greek or foreign flag ships with a tonnage of over 500 register tons, as well as in representing ship-owner companies, and companies pursuing the aforementioned activities. The company is the manager of the ships Apollonia Spirit and Apollonia Star.

Mr. Spyridon Alexandratos owns 100% of the company's equity.

A summary of the company's financial aggregates is shown below:

APOLLONIA SPIRIT SHIPPING LIMITED, 2000	
	USD
Equity Capital	1,000,000
Turnover	2,643,460
Earnings (Tax-free)	102,175

The company has no financial dealings with PPA S.A.

12.1.5 GRAIN TRANSPORT COMPANY LIMITED

The company was incorporated in 2002 and has its registered offices in Nicosia, Cyprus. The company owns and operates ships. It is the whole owner of the ship "TOLMI", registered in Limassol, Cyprus.

Mr. Spyridon Alexandratos owns 50% of the company's equity, while the remaining 50 % is owned by Choice Navigation Inc.

The company is newly incorporated and has no financial aggregates yet.

The company has no financial dealings with PPA S.A.

12.1.6 Mitilinaios S.A.

Mr. Mitilinaios' company was incorporated in 2002 and has its registered offices in Piraeus, 75. Naxos St. The company is involved in publishing, graphic art design, as well as in the provision of company administration, management and promotion services.

Mr. Evangelos Mitilinaios owns 95% of the company's shares and is its Managing Director. The company's share capital rises to € 772,320 with a nominal value per share of €30.

The company has no financial dealings with PPA S.A.

12.1.7 New Economy Development Fund (NEDF / TANEQ) S.A.

The company was incorporated in 2001 and has its registered offices in Athens. It is involved in the co-financing of venture capital funds which invest in innovative business activities.

The Greek State is the company's sole shareholder, with a share capital of € 1,000,000 and a nominal value per share of € 50. The company completed its first accounting period exceeding 12 months in 2002.

Ms Stamboultzi is a Director of the company.

The company has no financial dealings with PPA S.A.

NEW ECONOMY DEVELOPMENT FUND	
	€
Equity Capital	186,955
Turnover	65,862
Earnings (Losses) (before tax)	(813,044)

13. Long-term Objectives and Prospects

13.1 Objectives and Strategy

Upon the transformation of Piraeus Port Authority into a Société Anonyme in 1999, the Company's strategy was defined and the following main objectives were set:

- improve efficiency;
- increase profitability;
- enhance competitive position;
- improve the quality of services provided.

In order to achieve such objectives, the Company seeks to:

- further develop its infrastructure;
- set its tariffs with the aim to ensure profitability and enhance its competitive position;
- improve co-operation with clients;
- improve services provided;
- improve operating margin by redefining its operating procedures;
- investigate co-operation possibilities with other ports in Attica;
- attempt to serve selected conventional cargo, given that a significant part of conventional cargo has been itemised and is served by the Container Terminal;
- improve operating margin by gradually redefining relations with dockers;
- upgrade Port user service level;
- boost vehicle handling volume, and
- reorganise ship building and repair activities.

13.2 Investment Policy

The Company's investment policy refers to a) port activities and b) other activities.

In particular, the Company's port activities involve:

- Container handling and storage;
- Conventional cargo handling and storage;
- Coastal navigation services;
- Cruise ships services;
- Car handling and storage.

Other activities of PPA S.A. include:

- Ship building and repair activities;
- Exhibition centre operation; and
- Operation of car parking areas.

The Company's planned investments for achieving its strategic objectives as regards its port activities include:

Container Terminal

- Carry out investments in infrastructure and equipment with a view to increasing capacity and improving service levels.

Conventional Cargo Handling

- Commission market research studies aiming at investigating prospects possibly offered by the handling of certain cargo types; and
- Improve infrastructure in terms of equipment for conventional cargo handling.

Coastal Navigation Services

- Fully develop the Port by completing the construction works already under way and implementing all projects included in the Central Port Reform Plan in order to upgrade service level.

Cruise Ships Services

- Upgrade infrastructure in order to improve service level.

Car Handling

- Increase infrastructure capacity of the unit managing car handling and
- Carry out projects to unify the areas supporting this activity.

Additional Activities

- Upgrade the exhibition centre infrastructure and equipment; and
- Co-operate with a third party (self-financing scheme) to undertake the construction and operation of car parking areas.

13.3 2002 – 2006 Investment Plan

The Company's investment plan is presented per business unit and is divided in investment in fixed assets owned by PPA S.A. and in fixed assets conceded by the Greek State, by way of the Concession Agreement dated 13.02.2002. It is noted that the procedure for the approval and financing of projects on concession fixed assets is set out in the Concession Agreement. The said investment plan has been approved by a resolution of the Board of Directors of PPA S.A. dated 13.02.2003.

The Company's investment plan involves:

- procurement of electromechanical, information technology and other office equipment;
- construction and other projects included in the Central Port Reform Plan,
- construction and other works intended to increase capacity and enhance the quality of the services offered at the Commercial Port,
- projects connected with the 2004 Olympics (“Olympic Projects”),
- project designs.

13.1.1 Investments in fixed assets owned by PPA S.A.

i) Procurement of Electromechanical Equipment

As regards the procurement of electromechanical equipment, the investment plan includes the following main investment activities for the next five years:

Container Terminal Equipment

- Mobile container harbour crane: Relates to the procurement of one mobile container harbour crane to cover the operating needs of the Container Terminal. The estimated cost rises to € 3 million. The tender for the crane procurement is in progress, while the relevant investment is expected to be completed in 2004.
- Container Terminal Closed Television Circuit: Relates to the procurement and installation of a closed television circuit for the monitoring, supervision and security of the Container Terminal. The investment of € 176 thousand has been completed.
- Straddle carriers: Procurement of 46 Straddle Carriers in order to meet the Container Terminal operational requirements more efficiently. The cost is estimated to rise to € 26 million. The investment will be effected gradually until 2007. EU funding will be sought for 16 out of the total 46 straddle carriers, which in the Company's opinion will not exceed (if granted) 20% of their value, namely € 2 million. The relevant invitation to tender has already been drafted and the tender procedure is now expected to proceed as regards the first 18 vehicles.
- New Container Dense Stacking System: Procurement of container dense stacking equipment to ensure stacking effectiveness as regards vessel stevedoring operations in the Container Terminal. A feasibility study for the appropriate system will be carried out prior to selecting the equipment. The cost is estimated to rise to € 9.4 million and the procurement will be carried out in stages during the 2004 – 2007 period.
- Gantry cranes: Procurement of 6 gantry cranes, in order to gradually meet new requirements of the container terminal. Such procurement shall be implemented gradually between 2004 and 2007 and the cost is estimated to rise to € 22 million. EU funding will be sought for 4 out of the total of 6 gantry cranes, which in the Company's opinion will not exceed (if granted) 20% of the equipment value, namely approximately € 3 million. Feasibility studies have already been drafted for this project. The acceptance of 2 gantry cranes has already been completed.
- Ground electromechanical equipment: Relates to the procurement of 12 tractors, 10 forklifts, 25 semi-trailers, 7 spreaders, additions-repairs to Container Terminal machinery (gantry crane safety brakes, gantry crane elevator, gantry crane power and control cables replacement), as well as to the installation of a fuel supply system for container stevedoring and handling and other ground equipment, with the aim of gradually satisfying the container terminal's requirements. The cost is estimated to rise to € 7 million. Relevant tenders are currently in progress and the investment is expected to be effected gradually during the 2003 – 2007 period.

Conventional Cargo Terminal

- Electromechanical equipment: Procurement of 27 fork lift trucks of various types and 5 general load tractors for meeting operational requirements in conventional cargo handling. The cost is estimated to rise to € 1.8 million and the procurement is to be implemented gradually during the 2003 – 2007 period.

Procurement of electromechanical equipment for the Port's general requirements

- Electromechanical equipment: Relates to the procurement of one lathe, one boring machine and one lifting trailer for electrical works, as well as other electromechanical equipment, in order to gradually cover future needs of the Port. The cost is estimated to rise to € 1.1 million and the procurement is expected to be completed in stages during the 2003 – 2007 period.
- Transport means, furniture, utensils and other office equipment: Procurement of one mobile basket crane, one immobilised vehicle crane, one fuel tank-truck, one water-wagon, 16 vans, 6 coaches, 4 ship passenger transport coaches, 3 pick-ups, 4 ambulances, 4 passenger cars, 4 trucks, 5 luggage trailer tractors, 3 luggage trailer train tractors, 1 road marking vehicle as well as other equipment for the Port's operational requirements. The estimated cost of this investment rises to € 2.8 million. The project is to be implemented at stages over the 2003 – 2007 period.

Procurement of Software and Electronics

- Completion of the PMIS and other IT equipment: Relates to the payment in full for the procurement of an integrated financial planning and project management information system for the port, as well as the procurement of information technology equipment intended to cover the Company's gradual requirements during the 2003 – 2007 period. The PMIS investment with a total cost of € 7.6 million has been completed and the cost of procurement remains to be paid in full within 2003. Procurement of information technology equipment is scheduled to take place in stages over the 2003 – 2007 period.
- Computer Register and Document Filing System: This investment, of an estimated cost of € 102,000, involves the procurement of a computer register and document filing system for the more efficient handling of documents in all port departments. The project is expected to be completed within 2003 - 2004.
- Telephone Network installation: Procurement and installation of an extended telephone network throughout the Port. The investment cost is estimated to rise to € 650,000. It is at the final stage of drafting of the invitation to tender, which will be completed within 2003. The project is expected to be completed in 2003 – 2004.

ii) Fixed Asset Improvements

- Floating Vessel Repair: It concerns the repair of the small floating dock, one water-carrier and eight barges. The investment's total cost is expected to rise to € 2 million. The relevant tender is in progress, currently at the stage of evaluation of suppliers' technical offers, with the prospect of completing the project in 2003. Repair of other floating vessels is to take place gradually over the 2003 – 2007 period.

13.1.2 Investments in fixed assets under concession to PPA S.A.

i) Container Terminal Construction Works

- Power supply network reconstruction and gantry crane conversion in Container Terminal pier II. The total project cost is estimated to rise to € 2.35 million. The project is currently being executed and is expected to be completed within 2003.

- Power supply network reconstruction and gantry crane conversion in Container Terminal pier I. The project cost is estimated to rise to € 2.2 million. The design required has been prepared, while the project tendering is anticipated to take place during the 2nd semester of 2003.
- Construction of new pier I at the “Eleftherios Venizelos” Container Terminal of New Ikonion: The project has a budgeted cost of € 35 million and is expected to be completed by the end of 2004. It is anticipated that the project shall be funded by funds from the third Community Support Framework of an approximate amount of € 30 million. Following the construction of such project and the installation of modern mechanical equipment, it is expected that the handling capacity of the “Eleftherios Venizelos” container terminal shall increase from 1.5 million to 2 million TEUs per annum.
- Construction of "Elefth. Venizelos" Container Terminal pier III, east part in New Ikonion: The project cost is estimated to rise to € 44 million. The project is expected to be implemented in the 2005 – 2007 period and to be financed by the Third Community Support Framework with an amount of € 32 million. This project is particularly important for the Company, considering that upon the completion of construction and the procurement of equipment it is estimated that the capacity of the container storage land areas will increase by 30% (i.e., from the current annual capacity of 1.6 million TEU's to 2.2 million TEU's), while the Container Terminal port infrastructure capacity will increase by 25%.

ii) Car and Conventional Cargo Terminal

- Car Terminal extension harbour projects. The total cost is estimated to rise to € 9.40 million. The project is now being executed and is expected to be completed by the end of 2004. This project will generate additional car storage ground space of 45,000 m². Through its integration in the coal pier project, barely used at the moment, the area around the bay to be land-filled, a car terminal of more than 80,000 m² will be created with service quay walls 400 m long; such terminal will be able to handle cars from medium and small-sized RO-RO ships (as bigger ships will continue to be served by the Drapetsona C1 Management Division).
- Hercules Port pier V land areas formation involves the demolition of warehouses C8-C9-C10 in order to create land areas to serve conventional cargo and car handling in the area of Keratsini. The estimated project cost is € 1.50 million. The relevant required design has been completed.
- Cereals handling – storage terminal relocation from the Central port to the commercial port: A relevant study is being prepared, which is expected to be completed during 2003, while its tendering is scheduled for the end of 2003. The estimated project cost is € 1.5 million.

iii) Conversion of the Central Port into a modern Passenger Port

- Harbour projects for the reform – conversion of Piraeus Central Port to an exclusively passenger Port (Palataki area works). The overall estimated cost rises to € 14 million. Funding from the Cohesion Fund has been approved for the project at a percentage of 80%. The project is now being executed and is expected to be completed within 2003. An amount of € 10.6 million has already been absorbed and the balance of € 3.4 million is expected to be absorbed during 2003.
- Harbour projects for the reform – conversion of Piraeus Central Port to an exclusively passenger Port (Vasileiadi, Palataki areas land works). The total project cost is estimated to rise to € 11 million. The project is expected to be completed within 2003. The absorption rate for 2003 is estimated to be € 2.5 million.
- Piraeus Central Port dredging works. The preparation of a study for the disposal of dredging material has been awarded to the University of Piraeus, in cooperation with a specialized American university and is expected to be completed by the end of 2003. The project has a budgeted cost of € 3 million and is expected to be completed by the end of the 1st semester of 2004.
- Construction of two small piers (jetties) in the area between the dry docks up to Vasileiadi Coast. This project will result in two new coastal navigation berthing locations. The relevant tender for selecting the project contractor has been completed and the project, which has a budgeted cost of € 3.2 million, is expected to be completed within 2003.
- PPA S.A. Exhibition Centre shell braces replacement. The total cost is estimated to rise to € 2.40 million. The project is at its initial stage of planning and compilation of the required design which is expected to be completed within 2003, while the project will be tendered towards the end of 2003.
- Exhibition Centre Electromechanical installations improvement. The total cost is estimated to rise to € 1.5 million. The relevant tender for selecting the project contractor has been completed and the project is expected to be completed within 2003.
- Overpass to the I.S.A.P. (Athens – Piraeus Electric Railways S.A.) station. The aim of the project is to provide convenient and safe arrival and departure to passengers using the I.S.A.P / Attiko Metro network. Its cost is estimated to rise to € 1 million. The relevant design will most likely be completed within 2003, while the project is expected to be tendered in the end of 2003. The project will be carried out in parallel with the Central Ports traffic relief works and in co-operation with urban transport organisations (I.S.A.P., Greek Railways Organisation etc).

iv) Shipbuilding and Repair Port Works

- Perama Ship Repair Zone modernisation – upgrading works. The total project cost is estimated to rise to € 4 million. The project will most likely be tendered during the 2nd semester of 2003 and executed in the 2003-2007 period.

v) Other Initiatives

- PPA Port complex ring road completion by expropriating land areas in the Keratsini region and constructing parts for the completion of the road network, of an estimated budget of € 8 million. The design required for this project has been completed and the project has been tendered. Implementation of the project is expected during the 2003 – 2004 period.
- Set-up of modern KESM (School of Engineers Training Centre) workshop facilities and storage areas in the commercial port. The compilation of the relevant design is already under way, with

the prospect of completion within 2003, while the project tendering is expected take place towards the end of 2003, with an estimated cost of € 3 million.

- Occasional interventions for the improvement of the existing infrastructure. These involve a series of (port, building, road, supply network) projects aiming at improving the Company's existing infrastructure. They include new mooring post – buffers and ramp construction works, facilities improvement works, port road network improvement works, water supply, drainage, lighting network improvement works throughout the port area under PPA responsibility. These projects are in progress and are expected to result in expenditure of € 11 million in the 2003-2007 period.

vi) Olympic Projects

By virtue of a resolution of its Board of Directors dated 1 June 2001, PPA S.A. approved the Business Plan on the Co-operation between the Ministry of Merchant Marine, PPA and ATHENS 2004, which bears the special title "Preparation of Piraeus port for the 2004 Olympics", for executing a series of projects financed by the ATHENS 2004 budget for the Olympic preparation. According to the Company, it will be sought to draw maximum financing of such projects from the budget of the Olympic preparation of ATHENS 2004. In case such financing is not secured, the feasibility of such projects will be re-examined. Funding has already been secured for three of the projects specified below, with an overall cost of € 14.65 million; the approval for financing, rising to 5.85 million for the project specified as "Works – interventions in the port area of Drapetsona-Keratsini" is still pending.

- Piraeus Central Port water supply / fire fighting / drainage network reconstruction - improvement. The project includes the construction of drainage systems for grey waters coming from ships mooring to the Central Port, to which the port's facilities are connected. Passing through pump stations, the network terminates at the area's main drain pipe, leading to Akrokeramos and subsequently to Psytallia for biological treatment. This will ensure optimum environmental protection for the port's land and sea areas. Moreover, the project includes the reconstruction of the Central Port's water – fire extinguishing network, which, in conjunction with the out-of-port EYDAP (Athens Water supply and Sewerage Company) works, will provide sufficient water supply for ship and port facilities both during the 2004 Olympics and after the Games. The total project cost is estimated to be € 5.85 million. Works on this project have commenced and completion is expected by 31.12.2003.
- Port Olympic Zone land areas remodelling. The project includes asphalt paving, planting of trees, road marking, traffic arrangements, landscaping, signalling, etc. It also includes the improvement of power supply, lighting and telephone networks in order to meet the requirements of the 2004 Olympics. A preliminary design has been elaborated under the responsibility of ATHENS 2004. The tender for the selection of a contractor is in progress. The project has a budgeted cost of € 4.4 million and is anticipated to be completed within 2004.
- Building infrastructure works of Port Olympic Zone: This project includes works on buildings of the Port's Olympic Zone, as well as the Passenger Terminal by the dry docks, which is considered as a historic landmark. The project has a total pre-budgeted cost of € 8 million, is at a mature stage for tendering and is expected to be completed by May 2004.
- Intervention works in Drapetsona – Keratsini port area for serving ships during the 2004 Olympics. The relevant design has been compiled under the responsibility of ATHENS 2004. The project has a prebudgeted cost of € 5.85 million and is expected to be tendered during the 2nd semester of 2003, with the aim of completion by May 2004.

vii) Concession Projects

In the next five years, the company plans the execution of a series of projects included in the PPA Master Plan. Such projects are planned to be self-financed and implemented through concession agreements, executed with third-party investors. These projects are the following:

- Construction of an underground car parking terminal at the Exhibition Centre square. The 700-spaces underground car parking terminal project, with an estimated budgeted cost of € 14.4 million, will be implemented by a concession agreement and is to be jointly financed by a third party. The company's participation is estimated to rise to € 2.8 million; the Company will apply for full coverage of this amount through the funding provided for by the Ministry for the Environment, Planning and Public Works for each new parking space. Works on the project have commenced and completion is expected in 2004.
- Development of Eetion Coast multi-storeyed warehouses - SILOS complex. This concession project involves the reconstruction – development of two multi-storeyed warehouses. It is also planned to develop Eetion Coast SILOS building through self-financing, following the creation of a new facility in the commercial port. The project estimated cost is € 30 million, while its construction will last three years (2004-2007). At the present stage, the compilation of the design required has been tendered and the design is expected to be completed by the end of 2003.
- Cruise ship Terminal (Palataki area). The total cost is estimated to rise to € 18 million. The project will be implemented through a concession agreement with a third party and its execution is most likely going to take place in the 2004-2006 period. The project architectural and financial preliminary design is in the course of preparation. An invitation to tender this project under the Design Build Finance and Operate (DBFO) system is currently being drafted.
- Coastal Navigation Terminal (Tzelepi Coast). Development of a Central Terminal serving passengers, together with maritime operating activities, as well as of a terminal station in the area of the Passenger Port. The project is estimated to cost € 30 million and is planned to be a self-financed project. It now is at the stage of resolving property issues for its utilisation as a Central Passenger Terminal.
- Establishment of a fixed track system (unirail) in Piraeus Central Port from Themistokleous jetty up to Krakaris jetty. The project is estimated to cost € 18 million and is planned to be implemented by a third party through a concession agreement. The elaboration of the relevant design has already been awarded and the design is expected to be completed by the end of 2004.
- Development of Krakaris – Fertilizers region sea front for sea activities – recreation purposes. The project is estimated to cost € 25 million, while it is planned to be implemented by a third party through a concession agreement. A tender for the preparation of the relevant design has been launched and the design is expected to be completed by the end of 2003.
- Construction of a hotel in the Central Port, at Palataki area. The project will be implemented through a concession agreement with a third party. A file has already been submitted to the Hellenic Tourism Organisation for approval, while the hotel is included in the draft law for Olympic Projects. As regards the selection of a contractor, tenderers have submitted their offers for evaluation. The estimated cost rises to € 25 million. Procedures for hiring a financial advisor are currently in progress.
- Perama Ship Repair Zone private shipbuilding and repair units extension – improvement – modernisation, in PPA S.A. port area, at a seafront having an overall length of 1,300 m. The projects are being executed by private companies active in the area, through fixed-term

concession agreements. The estimated cost rises to € 30 million. A design for restructuring Perama Ship Repair Zone institutional operation and organisation is being elaborated. The project is expected to be completed by 2006.

13.1.3 *Project Designs*

The Company shall include in its investment plan € 7.6 million for the compilation of project designs. This amount comprises the following designs:

- Preliminary design for the "Construction of a Passenger Terminal serving cruise ships in Piraeus Central Port Palataki area". The cost of this design is estimated to be € 0.15 million and the design is expected to be completed within 2003.
- Hercules Port pier V outdoor spaces formation design, by demolition of the Warehouses Building. The design cost rises to € 0.30 million and its completion is expected within the 1st semester of 2003.
- Cereals terminal planning, construction and operation design in the commercial port area, to replace the Central Port cereals SILOs, with a budget of € 0.30 million for the 2003-2004 period.
- KESM facilities, workshops and storage areas design in the area of New Ikonion, with a budget of € 0.30 million for 2003.
- Minor environmental impact assessment reports, financial and technical designs and fire safety designs: An amount of € 1 million has been budgeted for these designs, for the entire 2003-2007 period.
- Passenger port extension – modernisation designs: An amount rising to € 1.60 million is estimated to be spent for these designs during the 2002-2004 period. The Company will receive funding for 30% of this amount by the Trans-European Networks.
- Shipbuilding and repair port extension – modernisation designs: The Company budgets an amount rising to € 1 million for these designs, expected to be compiled in the 2003-2005 period.
- Other Designs: An amount of € 2.35 million is budgeted for various other designs that may arise during the 2005-2007 period.

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

NO.	DESCRIPTION FIGURES IN € THOUSAND	2003	2004	2005	2006	2007	2003-2007 TOTAL INVESTMENT	TOTAL ANTICIPATED THIRD PARTY FUNDING	FINANCING METHOD
INVESTMENTS IN FIXED ASSETS OWNED BY PPA S.A.									
1	Mobile harbour crane for container stevedoring	2,000	1,000				3,000		Equity
2	Container Terminal closed television circuit	50					50		Equity
3	46 Straddle carriers	7,000	2,000	7,000	5,000	5,000	26,000	2,000	Equity & Community Funding
4	Container Dense Stacking System Equipment		1,000	3,000	4,000	4,000	12,000		Equity
5	6 Gantry cranes		2,500	7,500	6,000	6,000	22,000	3,000	Equity & Community Funding
6	Container Terminal electromechanical equipment	2,500	1,500	1,000	1,000	1,000	7,000		Equity
7	Conventional Cargo electromechanical equipment	800	650	350			1,800		Equity
8	Other electromechanical equipment	500	300	100	100	100	1,100		Equity
9	Transport means, utensils and other office equipment	2,000	200	200	200	200	2,800		Equity
10	PMIS Completion and other information technology equipment	1,500	500	400	400	400	3,200		Equity
11	Extended telephone network installation	450	200				650		Equity
12	Computer Register and Document Filing System	50	100				150		Equity
13	Floating Vessels Repair	1,200	500	100	100	100	2,000		Equity
	SUBTOTAL (A)	18,050	10,450	19,650	16,800	16,800	81,750	5,000	

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

NO.	DESCRIPTION FIGURES IN € THOUSAND	2003	2004	2005	2006	2007	2003-2007 TOTAL INVESTMENT	TOTAL ANTICIPATED THIRD PARTY FUNDING	FINANCING METHOD
INVESTMENTS IN FIXED ASSETS UNDER CONCESSION TO PPA S.A.									
1	Power supply network reconstruction and gantry crane conversion in Container Terminal pier II	800					800		Equity
2	Power supply reconstruction and gantry crane conversion in Container Terminal pier I	2,200					2,200		Equity
3	Construction of "Elefth. Venizelos" Container Terminal pier III in New Ikonion	7,200	20,000	7,800			35,000	30,000	Equity and Third Community Support Framework
4	Hercules Port pier V land areas formation for serving car – conventional cargo handling	1,500					1,500		Equity
5	Car Terminal extension harbour projects	7,400	2,000				9,400		Equity
6	Cereals handling – storage terminal relocation project.	1,000	500				1,500		Equity
7	Harbour projects for the reform – conversion of Piraeus Central Port to an exclusively passenger Port – Palataki area works	3,400					3,400	3,000	Equity & Cohesion Fund
8	Harbour projects for the reform – conversion of Piraeus Central Port to an exclusively passenger Port – Vasileiadi, Palataki areas land works	2,500					2,500		Equity
9	Construction of two small piers (jetties) in the Central Port Vasileiadi area	3,200					3,200		Equity
10	Piraeus Central Port dredging works	1,000	2,000				3,000		Equity
11	PPA S.A. Exhibition Centre shell braces replacement	400	2,000				2,400		Equity
12	Exhibition Centre electromechanical installations improvement	1,500					1,500		Equity
13	Overpass to the I.S.A.P. station – pedestrian crossing	200	800				1,000		Equity
14	Perama Ship Repair Zone modernisation – upgrading works	800	800	800	800	800	4,000		Equity

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

15	Construction of Pier III at the Eleftherios Venizelos Container Terminal (eastern section)			4,000	20,000	20,000	44,000		Equity
16	PPA network ring road completion	5,000	3,000				8,000		Equity
17	Set-up of KESM facilities, workshops and storage areas in the commercial port	400	1,600	1,000			3,000		Equity
18	Occasional interventions for the improvement of the existing infrastructure	3,000	2,000	2,000	2,000	2,000	11,000		Equity
19	Piraeus Central Port water supply – fire fighting – drainage network (OLYMPIC PROJECT)	4,000	1,850				5,850	5,850	OLYMPIC PROJECT State funding
20	Land areas formation of the Port's Olympic Zone (OLYMPIC PROJECT)	3,000	1,400				4,400	4,400	OLYMPIC PROJECT State funding
21	Facilities projects of the Port's Olympic Zone (OLYMPIC PROJECT)	6,000	2,000				8,000	8,000	OLYMPIC PROJECT State funding
22	Intervention works in Drapetsone – Keratsini port area for serving ships during the 2004 Olympics (OLYMPIC PROJECT)	2,000	3,850				5,850	5,850	OLYMPIC PROJECT State funding– pending
23	Other project designs	2,000	1,800	1,400	1,200	1,200	7,600	1,000	Equity and Community Funds
	SUBTOTAL (B)	58,500	45,600	17,000	24,000	24,000	169,100	58,100	
	TOTAL (A)+(B)	76,550	56,050	36,650	40,800	40,800	250,850	63,100	

Admission of PPA S.A. Shares to the Main Market of the Athens Exchange

No.	DESCRIPTION FIGURES IN € THOUSAND	2002	2003	2004	2005	2006	2002-2006 TOTAL INVESTMENT	OVERALL THIRD PARTY FUNDING ANTICIPATED	FINANCING METHOD
SELF-FINANCED THROUGH A CONCESSION AGREEMENT²⁴									
1.	Construction of an underground car parking terminal at the Exhibition Centre square (Co-funded by a third party)	2,850					14,400	2,850	Self-financing + Equity EUR 2.35 million to be received as subsidy
2.	Development of two multi-storeyed warehouses at Eetion Coast						18,000		Self-financing
3.	Palataki area cruise ship terminal						18,000		Self-financing
4.	Tzelepi Coast coastal navigation terminal						30,000		Self-financing
5.	Establishment of fixed track system (unirail) in Piraeus Central Port						18,000		Self-financing
6.	Development of Krakaris – Fertilizers region sea seafront						25,000		Self-financing
7.	Construction of a hotel in Palataki area of the Central Port						25,000		Self-financing
8.	Perama Ship Repair Zone units extension – improvement – modernisation						30,000		Self-financing
	TOTAL	2,850					178,400	2,850	

²⁴ There is no annual funding allocation for concession projects, as the tenders and consequently the investments' planning have not yet been carried out.

14. Dividend Policy

During the previous years of its operation, the Company, incorporated according to Law 2688/1999, was operating in the form of a Legal Entity of Public Law and therefore did not pay dividends. Within the framework of the Company's first published accounting period, the 1st Ordinary General Meeting of Shareholders held on 27.06.2001 resolved on the distribution of dividends rising to € 3.8 million, a percentage corresponding to 35% of the earnings after taxes, the deduction for the formation of an ordinary reserve and the differences in the valuation effected by the Committee of Article 9.

DIVIDEND OF ACCOUNTING PERIOD EXCEEDING 12 MONTHS 1.06.1999 – 31.12.2000			
		(in € thousand)	%
Earnings after taxes and Directors Fees for the year		10,858	
Dividend		3,815	35%

Within the framework of the Company's second published accounting period, the 2nd Ordinary General Meeting of Shareholders held on 10 June 2002 resolved on the distribution of dividends rising to € 4.8 million.

DIVIDEND				
	2001		2002	
	(in € 000)	%	(in € 000)	%
Earnings after taxes and Directors Fees for the year	17,954		19,388	
Dividend	4,842	27%	6,000	30.9

According to Greek law, the minimum dividend paid annually to the Company's shareholders may not be less than the higher of: (i) 35% of its pre-tax earnings, less company liens, ordinary reserve and corresponding tax; or (ii) 6% of its paid-in share capital. Higher distribution of dividends depends on the Company's profitability and its investment and financing requirements.

15. Share Offer (Sale) Price

15.1 Share Offer (Sale) Price

The share offer (sale) price will be specified by the Minister of Finance, following a relevant recommendation by the Lead Arrangers and the Company's Board of Directors, according to the procedure outlined in the chapter "Procedure for Placement of Existing Shares", within the context of the provisions of article 4, Presidential Decree 348/1985, as in force.

15.2 Net Earnings and Earnings per Share

Year	No of shares outstanding at year- end	NET EARNINGS		EARNINGS PER SHARE	
		Before Annual Taxes	After Annual Taxes and Directors' Fees	Before Annual Taxes	After Annual Taxes and Directors' Fees
1998 (in € thousand) ⁽¹⁾	25,000,000	27,158	27,158	1.086	1.086
1999 (in € thousand) ⁽¹⁾	25,000,000	27,775	27,775	1.111	1.111
2000 (in € thousand) ⁽¹⁾	25,000,000	15,124	10,450	0.605	0.418
1998-99 two-year average	25,000,000	27,466	27,466	1.098	1.098
1998-2000 three-year average	25,000,000	23,352	21,794	0.934	0.872
2001 (in € thousand)	25,000,000	28,772	17,955	1.151	0.718
2002 (in € thousand)	25,000,000	30,071	19,388	1.20	0.776
2001-2002 two-year average	25,000,000	29,421	18,671	1.18	0.75

(1) As resulting from the pro forma financial statements.

15.3 Restated Earnings and Restated Earnings per Share

Year	Weighted Average Number of Shares	Restated Profits		Profits per Share	
		Restated Profits Before Taxes	Restated Profits After Taxes and Directors' Fees	Restated Profits Before Taxes	Restated Profits After Taxes and Directors' Fees
1998 (in € thousand)	25,000,000	26,201	26,201	1.05	1.05
1999 (in € thousand)	25,000,000	27,243	27,243	1.09	1.09
2000 (in € thousand)	25,000,000	13,422	8,748	0.54	0.34
1998-99 two-year average	25,000,000	26,722	26,722	1.07	1.07
1998-2000 three-year average	25,000,000	22,289	20,641	0.89	0.83
2001	25,000,000	24,781	13,964	0.99	0.56
2002	25,000,000	25,256	14,573	1.01	0.58
2001 – 2002 Average	25,000,000	25,018	14,268	1.00	0.57

16. ANNEXES

- Table of fixed assets on concession from the Greek State.
- Pending claims in litigation, brought by third parties against PPA S.A.
- Designated Auditor's Audit Certificate for 2002.
- Financial Statements for the year 2002.
- Designated Auditor's Audit Certificate for 2001.
- Financial Statements for the year 2001.
- Designated Auditor's Audit Certificate for 2000.
- Financial Statements for the 2000 period, exceeding twelve months.
- 1998 – 2000 proforma financial statements.
- Concession Agreement.

ANNEX 1

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m ²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
A' PPA PORT ZONE (PIRAEUS CENTRAL PORT)							
UNDERGROUND CAR PARKING STATION, KARAISKAKI SQUARE ON TZELEPI COAST	CAR PARK	11,196	1992	PPA	PPA	Policy number 2002734 for fire and additional risks. Includes risks of fire, lightning, smoke, wide area explosion, earthquake. Insured capital is € 6.4 million.	
POWER SUB-STATION	SUB-STATION	56	1976	PPA	PPA	-	
KANELLOS WAREHOUSE	INDUSTRIAL	2,238	1936	PPA	PPA	-	Historic Value
PALATAKI	SPECIAL USE	133	1900	PPA	PPA	-	Historic Value
ALIMOS COAST PASSENGER TERMINAL	BAR & RESTAURANT	1,040	1989	PPA – Customs Office – Port Police – Police	PPA	-	
PPC SUB-STATION/PPA S.A.	SUBSTATION	195	1976	PPA	PPA	-	
SHED	ANCILLARY BUILDING	50	1986	PPA	PPA	-	Under demolition
FOODSTUFFS WAREHOUSE – PIRAEUS SUPPLY CENTER	INDUSTRIAL	3,385	1986	Leased to Ship Suppliers	Ship Suppliers	Insured by lessees	
POWER SUBSTATION	SUBSTATION	99	1986	PPA	PPA	-	
WORKERS RESTROOM	PREFABRICATED	15	1976	PPA	PPA	-	
PORT POLICE SENTRY BOX	PREFABRICATED	15	1975	PCPPP	PCPPP	-	
CUSTOMS SENTRY BOX	PREFABRICATED	15	1975	Customs Office	Ministry of Finance	-	
INTERNATIONAL PASSENGER TERMINAL AND PPA S.A. MANAGEMENT BUILDING	SPECIAL USE	23,307	1995	The passenger terminal operates on the ground floor and is partly leased to third parties, operating shops & currency exchange facilities. Tenants include Hellenic Duty Free Shops S.A., the MMM, the Police and	PPA	Policy number 2002728 against fire and additional risks. Insured capital of € 14.7 million.	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
				customs office. The 1st floor is used by PPA S.A.			
EXHIBITION CENTER	SPECIAL USE	30,307	1984	Periodically leased to trade fair and exhibition organizers	PPA	Policy number 2002731 against fire and additional risks. Insured capital of € 13.2 million.	
PREFABRICATED DOCK HOUSE	PREFABRICATED	15	1975	PPA	PPA	-	
PASSENGER TERMINAL (GROUND FLOOR) AND OTE S.A. TELECOMMUNICATIONS CENTER (KING CONSTANTINE PIER)	BAR & RESTAURANT	650	1983	A passenger terminal operates on the ground floor and is leased to Mr. Kokkotis and ticket agencies for DEKE, G.A. Ferries. The 1st floor is leased to OTE S.A.	PPA – OTE S.A. Agencies	-	
BALANCE – OFFICE	OFFICE BUILDING	44	1975	PPA	PPA	-	
SARONIC GULF 8th PORT POLICE PRECINCT	OFFICE BUILDING	24	1986	Port Precinct B'	MMM	-	
WATERING HOUSE – TZELEPI COAST (opposite to Skouze street)	PREFABRICATED	15	1975	PPA	PPA	-	
TZELEPI COAST PASSENGER TERMINAL	BAR & RESTAURANT	608	1984	The passenger terminal operates on ground floor, partly leased to Mr. Kokkotis	PPA	Insured by lessee Mr. Kokkotis with fire policy.	
1st PORT POLICE PRECINCT OF PIRAEUS CENTRAL PORT POLICE	OFFICE BUILDING	660	1987	On concession to the PCPPP; additional small areas on concession to Ministry of Transport, A' Customs Office, Army. Hosts workers' site.	PPA – MMM	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
PORT WORKERS' UNION BUILDING (St. Denis)	OFFICE BUILDING	130	2000	PPA	PPA	-	
PPA S.A. HOUSE	ANCILLARY BUILDING	22	1999	PPA Canteen	PPA	-	
HOUSE LEASED AS CANTEEN	ANCILLARY BUILDING	14	1999	Athens Water Company	Athens Water Company	-	
PPA PERSONNEL RESTROOM/TOOL STORAGE	ANCILLARY BUILDING	45	1975	PPA	PPA	-	
WOODEN WATERING HOUSE- DOCK 7	OFFICE BUILDING	27	1971	PPA	PPA	-	
PIRAEUS PORT POSTAL OFFICE	ANCILLARY BUILDING	365	1950	Hellenic Post	Hellenic Post	-	
POWER SUB-STATION	SUB-STATION	60	1960	PPA	PPA	-	
SAINT DENIS PORT PASSENGER TERMINAL	BAR & RESTAURANT	465	1989	George Isigonis	PPA	-	
SILO CONVEYOR BELT BUILDING	INDUSTRIAL	1,700	1940	PPA	PPA	Policy number 2002733 against fire and additional risks, including machinery. Insured capital of € 2.6 million.	
SILO (160 WAREHOUSES)	INDUSTRIAL	11,700	1939	PPA	PPA	Covered by above policy number 2002733	
PPA POWER SUB-STATION	ELECTRICITY SUBSTATION	54	1976	PPA	PPA	-	
HETION COAST PASSENGER TERMINAL	BAR & RESTAURANT	1,350	1995	PPA/Mr. KOKKOTIS	PPA	Insured by lessee Mr. Kokkotis, against fire and earthquake risks	
5 – FLOOR WAREHOUSE AND REFUGE	INDUSTRIAL	14,700	1963	PPA	PPA	-	Inactive
NEW SMALL POWER SUBSTATION	SUB-STATION	6	1999	PPA	PPA	-	
SMALL HOUSE	ANCILLARY BUILDING	56	1980	PPA	PPA	-	
FACTORY/PARKING/MANAGEMENT BUILDING (PPA PROCUREMENT DIRECTORATE)	OFFICE BUILDING	9,587	1985	PPA	PPA	Policy number 2002730 against fire and additional risks. Insured capital of € 2.9 million.	
GENERAL MATERIAL WAREHOUSE BUILDING	INDUSTRIAL	1,820	1968	PPA	PPA	Policy number 2002735 against fire and additional risks.	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
						Insured capital of € 440,205 and € 733,676 for materials stored.	
GARAGE	GARAGE	990	1965	PPA	PPA	-	
M.E.K. BUILDING	INDUSTRIAL	Part, of an area 2,080 square meters.		PPA	PPA	-	Not used
Building A4.K90	OFFICE BUILDING	20	1960	PPA	PPA	-	Vacant/under demolition
Building A4.K91	OFFICE BUILDING	195	1960	PPA	PPA	-	Vacant/under demolition
WOOD WORKSHOP	INDUSTRIAL	2,000	1935	PPA	PPA	-	
FUEL STATION AND BATTERIES STORE	INDUSTRIAL	970	1935	PPA	PPA	-	
MAINTENANCE SERVICES BUILDING	OFFICE BUILDING	2,080	1965	PPA	PPA	-	
INTERNAL COMBUSTION ENGINE WORKSHOP	INDUSTRIAL	530	1960	PPA	PPA	-	
2-STORY WING OF MOBILITY OFFICE	OFFICE BUILDING	1,445	1960	PPA	PPA	-	
3-STORY WING OF PPA PERMANENT EMPLOYEES' UNION	OFFICE BUILDING	Part of building (A4.K96); area of 1,445 square meters	1960	PPA	PPA	-	
A. TROULOS PRIVATE RESTAURANT	BAR & RESTAURANT	60	1960	Mary Troulos	Mary Troulos	-	
ELECTRICAL MAINTENANCE CENTER/PPA SUB-STATION	ELECTRICAL MAINTENANCE CENTER/PPA SUB-STATION	660	1974	PPA	PPA	-	
WORKSHOP	INDUSTRIAL	490	1971	PPA	PPA	-	Under demolition
FLOATING VESSELS REPAIR WORKSHOP	INDUSTRIAL	220	1955	PPA	PPA	-	
WAREHOUSE	INDUSTRIAL	135	1955	PPA	PPA	-	Vacant – under demolition
WAREHOUSE	INDUSTRIAL	114	1955	PPA	PPA	-	Under demolition
PUMPING STATION	ANCILLARY BUILDING	110	1970	PPA	PPA	-	
PUMPING STATION	ANCILLARY BUILDING	100	1971	PPA	PPA	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
MANNED TUGBOAT BUILDING	OFFICE BUILDING	176	1967	PPA	PPA	-	
STONE WAREHOUSE - B23	INDUSTRIAL	3,695	1948	PPA (Used by Mr. Markogiannis, representative of the Maritime Heritage Museum)	PPA	-	
B' PPA PORT ZONE (DRAPETSONA – HERCULES PORT – O.D.D.Y.)							
PPA SUB-STATION	SUB-STATION	170	1975	PPA	PPA	-	
PPA SUB-STATION	SUB-STATION	230	1995	PPA	PPA	-	
MILITARY WAREHOUSE	INDUSTRIAL	300	1975	Port of Piraeus Military Command	Port of Piraeus Military Command	-	
MILITARY WAREHOUSE	INDUSTRIAL	300	1975	Aegean Military Command	Aegean Military Command	-	
METAL WAREHOUSE	INDUSTRIAL	120	1970	Aegean Military Command	Aegean Military Command	-	
WAREHOUSE	ANCILLARY BUILDING	15	1971	Aegean Military Command	Aegean Military Command	-	
MILITARY WAREHOUSE	INDUSTRIAL	1.400	1965	Aegean Military Command	Aegean Military Command	-	
OPEN WOODEN SHED	ANCILLARY BUILDING	20	1960	Aegean Military Command	Aegean Military Command	-	
MILITARY TOLL	INDUSTRIAL	225	1967	Aegean Military Command	Aegean Military Command	-	
OFFICE BUILDING	OFFICE BUILDING	60	1965	Aegean Military Command	Aegean Military Command	-	
GATE SENTRY BOX	ANCILLARY BUILDING	2	1965	PPA	PPA	-	
SUB-STATION	SUB-STATION	40	1960	Athens Water Company	Athens Water Company	-	
FISH WHARF SPECIAL BUILDING	SPECIAL USE	2,750	1980	ETANAL	ETANAL	-	
OFFICE BUILDING	OFFICE BUILDING	1,085	1995	ETANAL	ETANAL	-	
OFFICE BUILDING	OFFICE BUILDING	384	1990	ETANAL	ETANAL	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT

Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
GATE SENTRY BOX	ANCILLARY BUILDING	20	1980	ETANAL	ETANAL	-	
OFFICE RESTROOM	ANCILLARY BUILDING	10	1995	ETANAL	ETANAL	-	
CUSTOMS BUILDING	OFFICE BUILDING	2,310	1980	Ministry of Finance	Ministry of Finance	-	
RESTROOM	PREFABRICATED	15	1985	PPA	PPA	-	
6th CUSTOMS OFFICE AND PPA SCHOOL	OFFICE BUILDING	672	1985	Customs	PPA	-	
ANNEX OF PPA SCHOOL/3rd DISTRICT	OFFICE BUILDING	1,050	1980	PPA	PPA	-	
MAINTENANCE WORKSHOP WAREHOUSE	ANCILLARY BUILDING	36	1965	PPA	PPA	-	
VACANT GATE SENTRY BOX	ANCILLARY BUILDING	22	1985	PPA	PPA	-	
WAREHOUSE	INDUSTRIAL	315	1975	PPA	PPA	-	
OPEN SHED – WORKSHOP	INDUSTRIAL	600	1975	PPA	PPA	-	
WORKERS LOCKER ROOM AND OFFICE	ANCILLARY BUILDING	220	1965	PPA	PPA	-	
BALANCE – OFFICE	PREFABRICATED	15	1980	PPA	PPA	-	
PPA BRIDGE STATION	ANCILLARY BUILDING	90	1960	PPA	PPA	-	
WORKERS BUILDING – LOCKER ROOM	INDUSTRIAL	155	1975	PPA	PPA	-	
Building B3 K157	ANCILLARY BUILDING	0	1975	PPA	PPA	-	Vacant
Building B3 K158	ANCILLARY BUILDING	0	1975	PPA	PPA	-	Vacant
WAREHOUSE	INDUSTRIAL	325	1965	Hellenic Slops	Hellenic Slops	-	
METAL WAREHOUSE	ANCILLARY BUILDING	72	1975	PPA	PPA	-	
OFFICE – BALANCE	PREFABRICATED	15	1980	PPA	PPA	-	
UNIDENTIFIED	PREFABRICATED	15	1980	PPA	PPA	-	
FREE WORKERS' WAREHOUSE	INDUSTRIAL	1,100	1967	PPA	PPA	-	
FREE WORKERS' WAREHOUSE	INDUSTRIAL	1,100	1967	PPA	PPA	-	
FREE WORKERS' WAREHOUSE	INDUSTRIAL	1,650	1970	PPA	PPA	-	
FREE WORKERS' WAREHOUSE C2	INDUSTRIAL	1,650	1975	PPA	PPA	-	
WORKERS' RESTROOM	ANCILLARY BUILDING	43	1970	PPA	PPA	-	
FREE WORKERS' WAREHOUSE	INDUSTRIAL	2,200	1978	PPA	PPA	-	
SENTRY BOX	PREFABRICATED	15	1980	PPA	PPA	-	
WAREHOUSE C3	INDUSTRIAL	5,480	1990	PPA	PPA	-	
WORKSHOP	ANCILLARY BUILDING	237	1975	PPA	PPA	-	
WAREHOUSE C4	INDUSTRIAL	3,000	1985	PPA	PPA	-	
WAREHOUSES C8,9,10	INDUSTRIAL	45,600	1960	PPA	PPA	-	
SMALL HOUSE – BALANCE	PREFABRICATED	15	1980	PPA	PPA	-	
PPA SUB-STATION	SUB-STATION	156	1960	PPA	PPA	-	
8th CUSTOMS OFFICE	OFFICE BUILDING	1,008	1960	PPA – Customs	PPA	-	
WAREHOUSE	INDUSTRIAL	196	1975	PPA	PPA	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT

Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
C' PPA PORT ZONE (PERAMA REPAIR ZONE)							
CLOSED SHED - I & T KALORIDIS LTD	CONCESSION	330	1971	I. Kaloridis	I. Kaloridis	-	
HOUSE OF PERAMA ZONE CUSTOMS	OFFICE BUILDING	22	1990	PPA	PPA	-	
GATE BUILDING	OFFICE BUILDING	22	1990	Ministry of Finance	Ministry of Finance	-	
PPA HOUSE/SENTRY BOX	PREFABRICATED	15	1990	PPA	PPA	-	
FLOATING VESSELS MOBILITY OFFICE	OFFICE BUILDING	196	1971	PPA	PPA	-	
PUBLIC/WORKERS' RESTROOMS	PREFABRICATED	15	1970	PPA	PPA	-	
D.I. KARRAS – GENERAL SHIP REPAIRS	INDUSTRIAL	3,375	1971	D.I. Karras	D.I.Karras	-	
OFFICES AND PLANT OF NAVEP S.A. SHIPBUILDING AND REPAIR	INDUSTRIAL	3,375	1971	NAFSI S.A.	NAFSI S.A.	-	
Building Γ5 K226	INDUSTRIAL	195	1984	N. Paleoudis	N.Paleoudis	-	
WAREHOUSE	INDUSTRIAL	195	1984	Vacant	-	-	
WORKERS RESTROOM	ANCILLARY BUILDING	60	1985	PPA	PPA	-	
NAFSI	INDUSTRIAL	2,250	1984	NAFSI & NAVEP	NAFSI & NAVEP	-	
PPA SUB-STATION / MAINTENANCE CENTER/ SUB-STATIONS ANNEX	SUB-STATION	247	1972	PPA	PPA	-	
CANTEEN – FIRST AID STATION	RESIDENCE	150	1967	First Aid Station	First Aid Station	-	
PPA ANNEX – PERAMA REPAIR BASE	OFFICE BUILDING	585	1971	PPA – 7th Port Police Annex – Fire Brigade	PPA	-	
PERAMA ZONE BALANCE – HOUSE	PREFABRICATED	15	1990	PPA	PPA	-	
METAL CONSTRUCTION	INDUSTRIAL	67	1967	NAFSI	NAFSI	-	
NAFSI SHIPBUILDING UNIT	INDUSTRIAL	4,814	1976	NAFSI	NAFSI	-	
KARRAS SHIPBUILDING UNIT	INDUSTRIAL	4,814	1976	I. Karras	I. Karras	-	
WORKERS' RESTROOM	ANCILLARY BUILDING	71	1985	PPA	PPA	-	
PPA SUB-STATION	SUB-STATION	195	1971	PPA	PPA	-	
WORKERS'/PUBLIC RESTROOM	PREFABRICATED	15	1970	PPA	PPA	-	
C' PPA PORT ZONE (IKONIO – EL. BENIZELOS)							
FORKLIFT WORKSHOP	INDUSTRIAL	3,650	1971	PPA	PPA	-	
WAREHOUSE C6	INDUSTRIAL	8,800	1971	PPA	PPA	-	
SENTRY BOX	PREFABRICATED	15	1976	PPA	PPA	-	
SENTRY BOX	PREFABRICATED	15	1976	PPA	PPA	-	
SENTRY BOX	ANCILLARY BUILDING	6	1971	PPA	PPA	-	
WAREHOUSE 5	INDUSTRIAL	300	1967	PPA	PPA	Policy number 2002732 against fire and additional risks. Insured capital: € 264,123.	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
WAREHOUSE 6	INDUSTRIAL	300	1967	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 7	INDUSTRIAL	300	1967	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 8	INDUSTRIAL	750	1967	PPA	PPA	Covered by above policy, under number 2002732	
GATE SENTRY BOX	PREFABRICATED	15	1995	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 1	INDUSTRIAL	750	1967	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 2	INDUSTRIAL	300	1967	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 3	INDUSTRIAL	300	1967	PPA	PPA	Covered by above policy, under number 2002732	
WAREHOUSE 4	INDUSTRIAL	300	1967	PPA	PPA	Covered by above policy, under number 2002732	
NEW SMALL SUB-STATION	SUB-STATION	6	1997	PPA	PPA	-	
RESTROOM	ANCILLARY BUILDING	263	1970	PPA	PPA	-	
SUB-STATION	SUB-STATION	257	1968	PPA	PPA	-	
WASHER	INDUSTRIAL	510	1995	PPA	PPA	-	
METAL SHED	INDUSTRIAL	300	1995	PPA	PPA	-	
STRADDLE CARRIER REPAIR WORKSHOP	INDUSTRIAL	1,640	1995	PPA	PPA	-	
WORKSHOP OFFICE – SECRETARIAT A7-MACHINE STATION	INDUSTRIAL	640	1995	PPA	PPA	Policy number 2002729 against fire and additional risks. Insured capital of € 2.9 million.	
CONTAINER TERMINAL WORKSHOP	INDUSTRIAL	1,640	1995	PPA	PPA	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
CONTAINER TERMINAL MACHINERY STAFFING OFFICE	INDUSTRIAL	640	1995	PPA	PPA	-	
SENTRY BOX	PREFABRICATED	15	1990	PPA	PPA	-	
CONTROL TOWER	ANCILLARY BUILDING	45	1990	PPA	PPA	-	
GANTRY CRANE OFFICES – WORKSHOP	ANCILLARY BUILDING	595	1985	PPA	PPA	-	
SHED – WAREHOUSE	INDUSTRIAL	288	1984	PPA	PPA	-	
PPA SUB-STATION	SUB-STATION	300	1983	PPA	PPA	-	
WAREHOUSE C14, 15, 16	INDUSTRIAL	18,420	1994	PPA	PPA	-	
HOUSE (NOT USED)	PREFABRICATED	15	1976	PPA	PPA	-	
TERMINAL ENTRANCE/EXIT	INDUSTRIAL	2,075	1990	PPA	PPA	-	
COMPUTER ROOM	OFFICE BUILDING	210	1995	PPA	PPA	-	
CONTROL TOWER	ANCILLARY BUILDING	45	1990	PPA	PPA	-	
PPA OFFICES/CUSTOMS/OFFICES	OFFICE BUILDING	6,619	1985	PPA – Customs – Agencies	PPA	Covered by above policy under number 2002729	
PPA SUB-STATION	SUB-STATION	300	1995	PPA	PPA	-	
D' PPA PORT ZONE (SALAMINA)							
SUB-STATION	SUB-STATION	45	1950	PPA	PPA	-	
SUB-STATION	ANCILLARY BUILDING	49	1960	PPA	PPA	-	
PCPPP SENTRY BOX	ANCILLARY BUILDING	50	1950	PCPPP	MMM	-	
Building S1 K236	ANCILLARY BUILDING	30	1950	PPA	PPA	-	In very poor condition
WAREHOUSE	INDUSTRIAL	115	1950	PPA	PPA	-	
WAREHOUSE	INDUSTRIAL	240	1950	PCPPP (Salamina Port Annex)	MMM	-	
SHIPYARD SENTRY BOX	ANCILLARY BUILDING	35	1950	PPA	PPA	-	
WAREHOUSE	INDUSTRIAL	185	1950	PPA (ex ETMAE warehouse, on lease)	PPA	-	
WAREHOUSE	INDUSTRIAL	209	1950	PPA (ex ETMAE warehouse, on lease)	PPA	-	
PPA SENTRY BOX	ANCILLARY BUILDING	20	1950	PPA	PPA	-	
PPA WOODEN SENTRY BOX	ANCILLARY BUILDING	30	1970	PPA	PPA	-	
METAL HOUSE – QUARRY	ANCILLARY BUILDING	50	1975	PPA	PPA	-	
METAL HOUSE	ANCILLARY BUILDING	35	1965	PPA	PPA	-	
Building S1 K246	ANCILLARY BUILDING	20	1970	PPA	PPA	-	Vacant
WAREHOUSE	INDUSTRIAL	62	1940	PPA	PPA	-	
STONE HOUSE	ANCILLARY BUILDING	40	1940	PPA	PPA	-	

Admission of PPA SA Shares to the Main Market of the Athens Exchange

TABLE DESCRIBING PPA S.A. FIXED ASSETS ON CONCESSION BY THE GREEK STATE BY VIRTUE OF CONCESSION AGREEMENT							
Brief Description	Nature	Total Area (m²)	Year of Construction	Used By	Party responsible for maintenance	Insurance Policy	Other Information
STONE WAREHOUSE	INDUSTRIAL	220	1940	PPA	PPA	-	
STONE HOUSE – SENTRY BOX	ANCILLARY BUILDING	6	1940	PPA	PPA	-	
STONE WAREHOUSE WITH MANAGEMENT OFFICE	INDUSTRIAL	192	1940	PPA	PPA	-	
STONE BUILDING	ANCILLARY BUILDING	10	1940	PPA	PPA	-	
STONE BUILDING – SENTRY BOX	ANCILLARY BUILDING	9	1940	PPA	PPA	-	
STONE BUILDING – SENTRY BOX	ANCILLARY BUILDING	9	1940	PPA	PPA	-	

**ANNEX 2: CLAIMS UNDER LITIGATION FILED BY THIRD PARTIES
AGAINST PPA S.A.**

Claims under litigation brought by third parties against PPA S.A.

**A. CLAIMS BY THE GREEK STATE – REGIONAL AUTHORITIES AND OTHER
LEGAL ENTITIES OF PUBLIC LAW**

The claims of this category are mainly related to disputes with the Greek State with respect to taxes and duties imposed on Piraeus Port Authority, and also to disputes with the Municipalities of Piraeus, Drapetsona and Perama, within the areas of which Piraeus Port Authority conducts its business, with respect to municipal charges for lighting and waste collection, as well as to taxes for the use by Piraeus Port Authority of areas which the aforementioned Municipalities consider as falling “within their jurisdiction” according to the relevant provisions of Law 1080/1980.

On the basis of financial considerations, the most important cases are those involving the Municipalities of Perama and Drapetsona, as discussed below in more detail.

This category of claims also includes claims on various grounds, brought by social security funds against PPA S.A.

a. Claims by the Greek State

Claim by the Greek State (Fifth Imports Customs Office of Piraeus) in connection with taxes and duties, for the amount of € 407,881.

By virtue of resolution number 1612/2001 of the Director of the Fifth Imports Customs Office of Piraeus and act of assessment number 391/99/2001 of the same authority, taxes and duties of € 407,881 were levied upon PPA S.A.

On March 22, 2001, PPA S.A. filed a complaint before the Piraeus Three-Member Administrative Court of First Instance, against the said resolution number 1612/2001 of the Director of the Fifth Imports Customs Office of Piraeus and act of assessment number 391/99/2001 of the same authority.

Claim by the Greek State (Piraeus Real Estate Office), for the amount of € 159,395.

By virtue of its complaint/petition dated March 31, 1998, filed before the Piraeus Administrative Court of First Instance, the Piraeus Port Authority challenged Protocol number 1/1998 for the assessment of damages for the arbitrary use of public property, issued by the said Office, for an aggregate amount of € 159,395. The said damages were assessed against PPA for the arbitrary use of a quarry and unlicensed mining.

By virtue of decision number 4021/1998, the said court rejected the petition of PPA, by invoking its lack of competence to judge on the merits; the court held that the dispute is of a private nature, since it relates to a quasi lease contract.

On July 1, 1999, PPA S.A. lodged an appeal against the said first instance decision.

Claim by the Greek State (Piraeus Ships Tax Office) and by the Navy Veterans Security Fund, for the amount of € 53,490.

On September 25, 1996, the Navy Veterans Security Fund (NVSF) filed a complaint before the Piraeus Single-Member Court of First Instance, against deed number 12689/1996 of Notary Public of Piraeus Mr. John Petropoulos, which determined the rank of creditors in a forced sale and against the ranked creditors therein named, including PPA, the Piraeus Ships Tax Office and the Commercial Bank of Greece S.A., seeking to be ranked for the amount of € 53,490.

The above complaint by the NVSF was rejected by decision number 440/1998 of the Piraeus Single-Member Court of First Instance. On January 4, 2000, the NVSF lodged an appeal against the said decision, seeking its reversal.

b. Claims by Municipalities and Regional Authorities

Claims by the Municipality of Perama, amounting to a total of € 6,805,576.

In the course of the past few years, the Company has been involved in litigation with the Municipality of Perama, which maintains that Piraeus Port Authority, both as a Legal Entity of Public Law and also as a société anonyme was and is due for municipal charges in connection to lighting and waste collection, as well as for taxes in connection to the use of areas which, as alleged by the said Municipality fall within the jurisdiction of the latter. Piraeus Port Authority controverts marshalling the privileges it enjoys by virtue of Article 3 of Compulsory Law 1559/1950 - exemption from all sorts of taxes, duties, contributions, etc., apart from income tax - but also the fact that the areas in relation to which the taxes are levied constitute parts of the land sector of the Piraeus Port area, which, by definition, lies outside the territory of Local Government Organisations.

Claims by the Municipality of Piraeus, for an aggregate amount of € 501,541.

On March 5, 1996, Piraeus Port Authority filed four (4) complaints before the Piraeus Administrative Court of First Instance, against an equal number of notifications issued by the Mayor of Piraeus for the collection of Municipal Duties/Taxes, as well as against the respective resolutions of the Mayor of Piraeus for the assessment of fines and surcharges. The above duties and taxes relate to the use by PPA of various areas during the period 1.1.1991 – 31.12.1995; the Municipality of Piraeus alleges that such areas fall within its jurisdiction.

Claims by the Municipality of Drapetsona

(a) On June 6, 2000, Piraeus Port Authority filed an objection before the Piraeus Three-Member Administrative Court of First Instance against the Municipality of Drapetsona and the Acts of this Municipality with regard to the imposition of municipal duties, municipal tax and a Real Property Duty for the use of open-air and sheltered spaces, and fines thereon, amounting to a total of € 3,954,486.

(b) The Municipality of Drapetsona has certified municipal duties in arrears for the 17.10.2001 - 16.11.2001 period, amounting in aggregate to € 3,249,843, in connection with which PPA SA filed on 19.12.2001 an objection against the aforementioned Municipality, PPC, and the bill of said Municipality as to the payment of Municipal Duties (€ 65,000), Municipal Tax (€ 734), Municipal Duties in arrears (€ 9,335), and a Real Property Duty (€ 3,107) - i.e. a total amount of € 3.2 million - for the 17.10.2001 - 16.11.2001 period. The above charges and taxes are included for collection in the electricity consumption bill issued by PPC on 22.11.2001 with regard to customer connection no. 6.86351981-01, which pertains to the substation of PPA SA identified as X-1981 that is based in the area of Neos Molos, in Drapetsona, Attica.

In addition, the Company has filed a complaint dated August 29, 2001 against the said Municipality, seeking the invalidation of a Deed of Assessment of Real Property Duties for the year 2000 by the said Municipality, for an amount of € 131,962, as well as the invalidation of a resolution of the Mayor of Drapetsona for the imposition of fines at the rate of 200%, i.e., equal to € 263,924 and totalling to € 395,886 in aggregate. The complaint was filed on September 3, 2001.

Claims by the Municipality of Keratsini, for an aggregate amount of € 6,974,093.

On December 6, 2001, PPA S.A. filed two complaints before the Piraeus Three-Member Administrative Court of First Instance, challenging the following acts of the Municipality of Keratsini:

- (a) the extracts of a public statement of levy issued by the said Municipality on 19.11.2001 in connection to waste collection, maintenance of gardens, and lighting electricity supply duties, of which the first (extract) pertains to duties charged for the years 1997, 1998, 1999 and 2000, amounting to € 2,923,348, and the second to duties charged for the year 2001, amounting to € 563,698; and
- (b) decisions no. 1 and 2 issued by the Mayor of Keratsini on 19.11.2001, on the basis of which fines were levied due to the non-payment of the alleged outstanding aforementioned duties, set to 100%, i.e., amounting to € 2,923,348 and € 563,698, respectively.

PPA SA seeks to establish that it is not liable for the payment of the duties and fines charged on the basis of the foregoing assessments, amounting to **€ 6,974,093** in aggregate.

- (c) In addition, by virtue of its complaint dated December 6, 2001 before the Piraeus Three-Member Administrative Court of First Instance, PPA S.A. turned against the Municipality of Keratsini and the PPC, in challenge of a certificate of the said Municipality for the assessment of Municipal Duties of € 17,036, Municipal Tax of € 564 and Real Property Duties of € 17,036 for the period between 18.9.2001 and 17.10.2001, which were included in electric power consumption bill for connection number 6.86350630-01, issued by PPC on 19.10.2001, which relates to the substation of PPA S.A. identified as X-630 and located in Keratsini (Saint George area).

c. Claims by Social Security Funds

Claim by the Navy Veterans Security Fund (NVSF), for the amount of € 723,153

On March 4, 1997 the NVSF filed a complaint before the Piraeus Court of First Instance against PPA and matrix number 16181/06.02.1997 for the ranking of creditors to the proceeds of forced sale of the ship “APOLLON EXPRESS 2”, seeking to invalidate or modify the said matrix, such as to ensure ranking of the NVSF as creditor for the amount of **€ 723,153**.

The above complaint was rejected by virtue of decision number 1865/1998 of the Piraeus Court of First Instance.

Claim by the Social Security Fund (IKA) and the George Kotsadakis family, for the aggregate amount of € 103,505.

On March 3, 1997, April 23, 1999 and May 5, 2000, the family of George Kotsadakis, deceased employee of PPA, who died in a work-related accident on PPA’s site on 19.10.1994, caused by Michael Sigalas, another PPA employee, filed three respective actions against PPA, before the Piraeus Three-Member Administrative Court of First Instance, requesting: damages of a principal amount of € 73,368 (on the basis of the first action) and alimony for his spouse and minor daughter, of an aggregate amount of € 30,138 (second and third action).

In the relevant proceedings, PPA has impleaded “Phoenix” insurance company, which had insured the vehicle involved in the accident, as well as IKA, the social security fund competent for the late George Kotsadakis.

Following such impleader to the first of the said actions, IKA filed on 18.3.1999, before the same court, an intervention – action against PPA, the Kotsadakis family, Michael Sigalas and “Phoenix” insurance company, whereby it requested payment by each defendant, jointly and severally, of the amount of € 46,580, previously paid by IKA to the family of the deceased as pension on the occasion of death.

Decisions have been issued by the Piraeus Administrative Court of First Instance, rejecting claims by both the Kotsadakis family and IKA.

Claim by the Pension and Solidarity Fund of Health Professionals (PSFHP), for the amount of € 715,818.

On the basis of its complaint dated 12.11.1998 before the Piraeus Administrative Court of First Instance, PPA requested the invalidation of resolution number 814/3.9.1998 of the Board of Directors of the PSFHP, whereby employer’s contributions of an amount of € 689,406 were assessed.

The said court issued decision number 7022/2002, which rejected the above complaint. PPA S.A. has lodged an appeal against the said first instance decision.

Claim by the Ancillary Social Security Fund of Port Employees (TEAPAEL), for the amount of € 133,037.

TEAPAEL has filed an action dated 10.2.2001 before the Piraeus Multi-Member Court of First Instance, seeking payment by PPA S.A. of the amount of € 133,037, which is allegedly owed by PPA S.A. as income from the disposal of materials, through the Public Property Management Organization (ODDY), recently converted into a corporation. The above action invokes as its legal basis various provisions of social security law, including the provision of Article 15 of Law 2688/1999, which abolished the Ancillary Social Security Fund of PPA employees and provided for the transfer of its healthcare division and respective assets and liabilities, including respective revenues, to the corresponding division of TEAPAEL. The hearing of the lawsuit has been set for April 10, 2002.

By virtue of an impleader and notification of litigation dated 2.11.2001, PPA requested the intervention of ODDY S.A. in the relevant proceedings, such that either the action be rejected or ODDY S.A. be ordered to pay any damages adjudicated, directly to TEAPAEL. The hearing of the said impleader has been set for 22.01.2003 and is expected to be heard jointly with the action of TEAPAEL against the Company.

B. LABOUR CLAIMS

The collective claims filed by Piraeus Port Authority employees against the Authority, both in relation to the period of its operation in the form of a Legal Entity of Public Law and that following its transformation into a société anonyme, constitute a major category of claims under litigation filed against the Company. Most of the cases within this category relate to similar claims by various employees arising out of common legal grounds, including:

- (a) payment of the special overtime monthly compensation established by Decisions no. 2024837/2870/0022/90 and no. 2065240/6951/0022/19.10.1990 issued by the Minister of Finance;
- (b) payment of the special productivity bonus provided by Joint Ministerial Decision no. 92620/D10E982/10.10.1995 issued by the Ministers of National Economy and Finance;

(c) salary differences arising out of the difference in the manner in which paid leaves and leave benefits are calculated; and

(d) payment of the special productivity bonus provided by Joint Ministerial Decision no. 4144/12.8.1993 issued by the Ministers of National Economy, Finance, and Health, Welfare and Social Security.

The hearing of several of the claims within this category has either been cancelled or re-ordered for reasons attributable to procedural details related to the respective writs. In addition, decisions have been issued in connection with claims under categories (b) and (c) above; decisions in connection with claims under category (b) are favourable for PPA, while decisions in connection with claims under category (c) are favourable for the employees.

Claims by Port Workers (Constantine Economou, etc.), for the amount of € 1,460,823.

On the basis of an action filed on 10.12.1996 before the Piraeus Single-Member Court of First Instance, Constantine Economou and another 95 port workers employed by PPA seek payment by PPA and the Greek State of a special monthly overtime pay, provided by Decisions number 2024837/2870/0022/1990 and 2065240/6951/19.10.1990 of the Minister of Finance and National Economy, each on the basis of the respective time of employment with PPA.

On the basis of their pleadings, plaintiffs have converted their lawsuit into a declaratory action and seek the recognition of the existence (and not the adjudication) of a claim of € 1,460,823.

In connection with the above action, decision number 2271/1998 was issued by the said court, which order a re-hearing of the case, so that plaintiffs produce the respective certification by the Audit Council to the effect that the respective action had been notified to its competent department, in accordance with Article 17 of Law 2145/1993, applicable to actions against the State and Legal Entities of Public Law.

Claims by Port Workers (Kantzias and others), for an aggregate amount of € 10,523,492.

On 4.6.1996 Mr. E. Kantzias and another 99 PPA employees filed a lawsuit before the Piraeus Single-Member Court of First Instance, against Piraeus Port Authority, whereby they requested payment by the Authority of an aggregate amount of € 10,523,492 as special overtime compensation, to which plaintiffs argue that they are entitled.

By virtue of Judgement no. 2272/1998 issued by the Piraeus Single-Member Court of First Instance it was ruled that the hearing of this case be repeated in order for the plaintiffs to produce the relevant certification of the Audit Council concerning whether or not the case under litigation has been submitted to its competent department.

Claims by Port Workers (Antonios Kourkoulakos and others).

On 30.12.1996 an action was filed before the Piraeus Single-Member Court of First Instance by Mr. A. Kourkoulakos and another 99 employees of PPA, whereby plaintiffs seek payment by PPA and the Greek State of an aggregate amount of € 958,650 as special overtime compensation, to which plaintiffs argue that they are entitled.

In connection with the above action, decision number 2271/1998 was issued by the said court, which order a re-hearing of the case, so that plaintiffs produce the respective certification by the Audit Council to the effect that the respective action had been notified to its competent department, in accordance with Article 17 of Law 2145/1993, applicable to actions against the State and Legal Entities of Public Law.

Claims by Permanent Employees (Solos and others), for the aggregate amount of € 1,173,881.

On 18.12.1995 Mr. John Solos and another 439 employees of PPA filed an action before the Administrative Court of First Instance of Piraeus, seeking the payment of an amount of approximately € 1,173,881, as special overtime pay for the period between 01.01.1994 and 31.12.1994.

The said action, involving a claim of € 1,173,881, was rejected on procedural grounds by decision number 2171/2002 of the Piraeus Three-Member Administrative Court of First Instance.

b. Special Productivity Bonus (Joint Ministerial Decision 4144/12.8.1993)

Claims by PPA Employees (Solos and others), for year 1993, for an amount of € 586,941

On 30.12.1996, Mr. John Solos another 439 permanent employees of Piraeus Port Authority filed a lawsuit before the Piraeus Administrative Court of First Instance, whereby they requested the payment of a special productivity bonus, by way of application by analogy of the provisions of Joint Ministerial Decision (JMD) no. 4144/12.8.1993 issued by the Ministers of National Economy, Finance, and Health, Welfare and Social Security. The lawsuit of the litigants pertain to bonuses claimed for the period from 1.1.1993 to 31.12.1993, amounting to approximately € 586,941.

Claims by PPA Employees (Solos and others), for the years 1994 and 1995, for an amount of € 2,347,762

On 30.12.1996, Mr. John Solos another 439 permanent employees of Piraeus Port Authority filed two lawsuits before the Piraeus Administrative Court of First Instance, whereby they requested the payment of a special productivity bonus, by way of application by analogy of the provisions of Joint Ministerial Decision no. 4144/12.8.1993 issued by the Ministers of National Economy, Finance, and Health, Welfare and Social Security. The lawsuits of the litigants pertain to bonuses claimed for the periods from 1.1.1994 to 31.12.1994 and 1.1.1995 to 31.12.1995, respectively, amounting to € 586,941 per annum and € 2,347,762 in aggregate.

c. Special Productivity Bonus (JMD 92620/D10E982/10.10.1995)

On 13.12.1998 a series of collective actions were filed by employees against PPA, seeking the payment of a special productivity bonus for the period between 1.11.1995 and 30.06.1996, on the basis of the respective provisions of Joint Ministerial Decision 92620/D10E982/10.10.1995 of the Ministers of National Economy and Finance. All said actions have been rejected at first instance, by virtue of decisions issued in 2000; most actions were held to be ungrounded, both legally and on the merits.

The above actions are listed as follows:

Claim by A. Vassilikos and others, for the aggregate amount of € 90,154

On 31.12.1998 Mr. Athanssios Vassilikos and another 79 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,291 to each plaintiff and the aggregate amount of € 90,154, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1084/2000 of the said court, the action was rejected as being ungrounded as to the facts.

Claim by D. Gatsoulis and others, for the aggregate amount of € 81,350

On 31.12.1998 Mr. Demetrios Gatsoulis and another 62 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,291 to each plaintiff and the aggregate amount of € 81,350, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1329/2000 of the said court, the action was rejected, with regard to half of the plaintiffs as inadmissible for procedural reasons (absence of proof of authority or counsel) and with regard to the other half of the plaintiffs as being ungrounded as to the facts.

Claim by E. Amvrazis and others, for the aggregate amount of € 83,393

On 31.12.1998 Mr. Evangelos Amvrazis and another 72 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 83,393, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1328/2000 of the said court, the action was rejected, with regard to half of the plaintiffs as inadmissible for procedural reasons (absence of proof of authority or counsel) and with regard to the other half of the plaintiffs as being ungrounded as to the facts.

Claim by A. Angelakis and others, for the aggregate amount of € 90,154

On 31.12.1998 Mr. Apostolos Angelakis and another 79 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 90,154, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 935/2000, the said court ordered most of the plaintiffs to produce certification of employment status and set 24.1.2001 as the new date for the hearing. The same decision rejected the action with regard to the remaining plaintiffs, as being ungrounded as to the facts.

By virtue of decision number 383/2001 of the Piraeus Administrative Single-Member Court of First Instance, the said action was rejected.

Claim by Moraitis and others, for the aggregate amount of € 90,154

On 31.12.1998 Mr. E. Moraitis and another 79 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 90,154, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1086/2000 of the said court, the action was rejected as being ungrounded as to the facts.

Claim by Myritzis and others, for the aggregate amount of € 90,154

On 31.12.1998 Mr. E. Myritzis and another 79 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 90,154, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1085/2000 of the said court, the action was rejected as being ungrounded as to the facts.

Claim by D. Vardakastanis and others, for the aggregate amount of € 87,900

On 31.12.1998 Mr. Dionyssios Vardakastanis and another 77 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 87,900, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 1083/2000 of the said court, the action was rejected as being ungrounded as to the facts.

Claim by employees (Masmatas and others), for the aggregate amount of € 118,327

On 29.12.1998 Mr. George Masmatas and another 104 permanent employees of PPA filed a lawsuit before the 7th section of the Piraeus Administrative Single-Member Court of First Instance, requesting payment by PPA of the amount of € 1,127 to each plaintiff and the aggregate amount of € 118,327, as special productivity bonus for the period between 1.11.1995 and 30.06.1996.

By virtue of decision number 196/2001 of the said court, the action was rejected, with regard to half of the plaintiffs as inadmissible for procedural reasons (absence of proof of authority or counsel) and with regard to the other half of the plaintiffs as being ungrounded as to the facts.

d. Claims related to differences in the manner in which paid leaves and leave benefits are calculated.

Claims by Port Workers (Trihandiras and other PPA employees) – Action for the calculation of leave benefits.

The Legal Department of PPA S.A. informed us of the existence of decision number 5236/29.8.2000 of the Piraeus Single-Member Court of First Instance, which accepted an action dated 30.12.1996 (filing serial number: 15026/96) by Mr. S. Trihandiras and another 99 port workers against PPA. Specifically, the court passed a declaratory ruling, accepting the existence of an obligation of PPA to calculate leave benefits of plaintiffs on the basis of the actual basic daily wage based on performance for the most representative quarter preceding their leave.

On 18.4.2001, PPA lodged an appeal against the said decision.

Claims by Port Workers (Trihandiras and other PPA employees) – Action for the calculation of leave benefits, for the amount of € 1,320,616.

On 10.12.1996, Mr. S. Trihandiras and another 99 port workers filed an action before the Piraeus Single-Member Court of First Instance and against PPA, seeking the payment to each of special overtime incentive bonus equal to 22 hours' pay per month for the period between 01.01.1994 and 30.06.1996. The aggregate amount of the claim by plaintiffs rises to € 1,320,616.

Claims by Port Workers (Georgiou and others) for leave benefits – recalculation.

On 30.12.1999, Mr. E. Georgiou and another 99 port workers filed an action before the Piraeus Single-Member Court of First Instance and against PPA, requesting the calculation of leave benefits of plaintiffs on the basis of the actual basic daily wage based on performance for the most representative quarter preceding their leave.

On this action decision number 5236/2000 was issued, which held that PPA is obligated to re-calculate leave benefits for the years 1996, 1997 and 1998.

Claims by Port Workers (Lioumbas and others) – Calculation of leave pay and leave benefits for the years 1995, 1996 and 1997 – Estimated Claims of € 1,027,146.

On the basis of actions filed on 30.12.1996 and 31.12.1996, respectively, before the Piraeus Single-Member Court of First Instance and against PPA, Mr. N. Lioumbas and other port workers of PPA (99 and 153 additional plaintiffs in the first and second action, respectively), seek the declaration of an obligation of PPA to pay salary differences arising from the calculation of leave benefits for the years 1995, 1996 and 1997.

Decisions under numbers 107/1998 and 1896/1996 of the said court ordered a re-hearing of the cases, so that plaintiffs produce evidence to the effect that the actions were notified to the competent department of the Audit Council.

Claims by Port Workers (Bessyris and others) - Calculation of leave pay and leave benefits for the years 1995, 1996 and 1997 – Special Overtime Pay - Estimated Claims of € 1,027,146.

On the basis of actions filed on 30.12.1996 and 31.12.1996, respectively, before the Piraeus Single-Member Court of First Instance, Mr. K. Bessyris and another 99 port workers of PPA have submitted a claim identical to the one of the immediately preceding case.

Decisions under numbers 108/1998 and 1893/1996 of the said court ordered a re-hearing of the cases, so that plaintiffs produce evidence to the effect that the actions were notified to the competent department of the Audit Council.

Claims by Port Workers (Kantzias and others) for the aggregate amount of € 9,391,049 for leave benefits.

On 30.12.1996 Mr. E. Kantzias and another 99 port workers filed an action before the Piraeus Single-Member Court of First Instance against PPA, requesting payment by PPA of the aggregate amount of € **9,391,049**, in connection with salary differences arising from the calculation of leave benefits for the years 1994, 1995 and 1996.

The action was upheld by decision number 5233/2000 of the Piraeus Single-Member Court of First Instance, which held that, as a rule, plaintiffs provided services on an intermittent and accrual basis.

On 28.12.2000 PPA lodged an appeal against the said first instance decision.

Claims by Port Workers (Tsairidis and others) for the aggregate amount of € 9,391,049 for leave benefits.

On 30.12.1996 Mr. D. Tsairidis and another 99 port workers filed an action before the Piraeus Single-Member Court of First Instance against PPA, requesting payment by PPA of the aggregate amount of € **9,391,049**, in connection with salary differences arising from the calculation of leave benefits for the years 1994, 1995 and 1996.

The action was upheld by decision number 5234/2000 of the Piraeus Single-Member Court of First Instance, which held that, as a rule, plaintiffs provided services on an intermittent and accrual basis.

On 29.12.2000 PPA lodged an appeal against the said first instance decision.

e. Other Labour Claims

Claims by Port Workers (Valvis and others), for the amount of € 2,418,915

On 30.12.1996 and on 31.12.1996, Mr. J. Valvis and 99 other port workers filed before the Piraeus Single-Member Court of First Instance two lawsuits against Piraeus Port Authority, whereby they requested its conviction to the payment of an approximate aggregate amount of € 1,209,098, for each of the aforementioned lawsuits (i.e., € 2,418,195 in total).

By virtue of Judgement no. 109/1998 issued by the Piraeus Single-Member Court of First Instance, with regard to the first lawsuit, it was ruled that the hearing of this case be repeated in order for the plaintiffs to produce the relevant certification of the Audit Council concerning whether or not the case under litigation has been submitted to its competent department.

Claims by P. Economides and others – Lump sum pension emolument of € 90,358

By virtue of their action dated 1.1.1999, filed before the Piraeus Single-Member Court of First Instance, Mr. P. Economides and another 7 pensioners of IKA and ex PPA employees requested payment by PPA of various lump sum pension emoluments, of an aggregate amount of € 90,358, which were not paid at the time they ceased to be employed, claiming that the reduction of their entitlement to € 4,402 is contrary to the Constitution.

By virtue of decision 3200/2001 of the said court, the action was rejected as non grounded.

Action by G. Zilakos and others – Additional pay of tractor operators, etc., for an aggregate amount of € 61,923.

On 31.12.1998, Mr. G. Zilakos, employed by PPA on the basis of an employment agreement of private law, and another 25 PPA employees, all being members of the tractor operators' union, filed an action before the Piraeus Single-Member Court of First Instance, requesting payment by PPA to each plaintiff of amounts corresponding to time spent for transport to and from working sites, as paid to members of the floating cranes union, of an aggregate amount of € 61,923.

Claim by N. Veronis, for the amount of € 132,062

By his action dated 4.6.1999, filed before the Piraeus Administrative Court of First Instance, Mr. N. Veronis requested payment by PPA of salary differences of an amount of € 132,062. By virtue of decision number 2275/2000, the said court partly upheld the action, for the amount of € 11,287, plus pre-judgment interest. PPA S.A. has lodged an appeal against the said decision.

Claim by Oungaridis and others, for the amount of € 234,974

On 28.12.1999 Mr. H. Oungaridis and another 12 PPA employees filed a claim before the Piraeus Single-Member Court of First Instance, requesting payment by PPA of the aggregate amount of € 234,974, corresponding to productivity bonuses.

Claim by Port Workers (Tsairidis and others, 100 plaintiffs in total) for payment of a special productivity bonus, for the aggregate amount of € 10,523,492

On 31.12.1996 Mr. D. Tsairidis and another 99 port workers filed an action before the Piraeus Single-Member Court of First Instance, requesting payment by PPA of the aggregate amount of € 10,523,492, corresponding to a special productivity bonus for the period between 01.01.1994 and 30.06.1996.

Claim by Port Workers (H. Koutroulis and others) for payment of benefits of an aggregate amount of € 67,839

On 18.12.1997 Mr. H Koutroulis and another 29 port workers filed an action before the Piraeus Magistrate's Court, seeking payment by PPA of an amount of € 67,839 for various benefits.

The above action was upheld by the court by virtue of decision number 240/1998.

On 16.10.1998 and 20.10.1998 PPA lodged two appeals against the said first instance decision.

By virtue of decision number 3114/2000 of the Piraeus Multi-Member Court of First Instance, the action was rejected on appeal and both appeals of PPA were upheld.

Action by Permanent Regular Employees (I. Mitsakos and others) for the payment of a special monthly pay of € 70,433.

On 24.12.1993 Mr. I. Mitsakos and another 79 permanent employees filed an action before the Piraeus Administrative Court of First Instance, seeking payment by PPA of the amount of € 70,433 as special monthly pay.

By virtue of decision number 6013/1996 of the said court, the action was upheld. PPA filed an appeal dated 05.11.1997 against the said decision.

By virtue of decision number 392/1999 of the Piraeus Administrative Court of Appeal, PPA's appeal was rejected, by reason of PPA not submitting the minutes of a resolution of its Board of Directors authorizing the appeal.

On 28.09.1999 PPA lodged an appeal against the said decision of the Piraeus Administrative Court of Appeal, before the State Council.

Claim by Permanent Regular Employees (S. Dikaïos and others) for the payment of a special monthly pay of € 70,433.

On 11.10.1993 Mr. S. Dikaïos and another 16 permanent employees filed an action before the Piraeus Administrative Court of First Instance, seeking payment by PPA of the amount of € 70,433 as special monthly pay.

By virtue of decision number 6012/1996 of the said court, the action was upheld. PPA filed an appeal dated 05.11.1997 against the said decision.

By virtue of decision number 391/1999 of the Piraeus Administrative Court of Appeal, PPA's appeal was rejected, by reason of PPA not submitting the minutes of a resolution of its Board of Directors authorizing the appeal.

On 08.07.1999 PPA lodged an appeal against the said decision of the Piraeus Administrative Court of Appeal, before the State Council.

Claim by S. Partzalakis and others for the payment of benefits

Mr. S. Partzalakis and another 48 employees of PPA filed an action before the Single-Member Court of First Instance of Piraeus, requesting payment by PPA of the amount of € 1,878, plus pre-judgment interest to each plaintiff.

The action was heard before the said court on 25.5.1999 and decision number 4798/1999 was issued, which rejected the action.

Claim by Mrs. Partsinevelos and others, for the amount of € 44,379

Mrs. Partsinevelos and another 16 employees of PPA S.A. filed an action before the Piraeus Single-Member Administrative Court of First Instance, seeking payment by PPA S.A. of the amounts therein described in detail for each plaintiff and corresponding to family benefits. The above action is grounded on recent rulings of the Special Supreme Court, which held that the provisions of Article 11, par. 6 of Legislative Decree 1505/84 and Article 12, par. 4 of Law 2470/1997 are contrary to the Constitution.

By virtue of a decision of the Piraeus Single-Member Administrative Court of First Instance, the action was partly upheld and the amount of approximately € 21,130 was adjudicated. PPA S.A. did not contest the ruling and made payment of the said amount to plaintiffs voluntarily.

Claims by J. Mayiatis and others for the amount of € 69,479

The above-named plaintiff and another 15 employees of PPA S.A. filed on 28.12.2000 two lawsuits before the Piraeus Three-Member Administrative Court of First Instance, requesting payment of the amounts described in detail in the writ per respective plaintiff, corresponding to family benefits for the years 1994-1996 and 1999.

Claim by G. Skarlos for the amount of € 331,387

On 14.6.1999 the George Skarlos family filed an action against PPA, requesting payment of the amount of € 331,387 as moral damages for the death of Paul Skarlos, who was killed in an accident, while riding a motorcycle owned by the Company. The action has been filed by relatives of the deceased.

C. CLAIMS BY CUSTOMERS AND SUPPLIERS

Claim for the amount of € 1,012,795 by “P. Kosmidis – Makris General Partnership”

On 23.11.1994, the aforementioned general partnership based in Peristeri, Attica, filed a lawsuit before the Piraeus 7th Administrative Court of First Instance, whereby it requested that Piraeus Port Authority be forced to pay a total amount of € 1,012,795.

By virtue of Judgement no. 1125/2001 issued by said Court, the aforementioned lawsuit was accepted in part; however an amount of only € 489 was adjudicated to the plaintiff.

Claim for the amount of € 52,416 by “ISM SHIPPING COMPANY” and Mr. G. Gialozoglou

The above-mentioned company, registered in Limassol, Cyprus, and its ex employee Mr. G. Gialozoglou filed a complaint dated 10.11.1995 before the Piraeus 9th Three-Member Administrative Court of First Instance, requesting the invalidation of PPA’s bill of dues number 033259/1995 and the respective cashier’s certificate of PPA, whereby wreck charges were assessed against the plaintiffs, in their capacity as maritime agents for the ship “MELODY” for the period between 1.1.1995 and 30.6.1995. Decision 90/1997 of the said court was issued in connection with the above complaint, which ruled that the plaintiffs were not liable to pay wreck charges, since they had notified PPA of the fact that they no longer acted as maritime agents for the said vessel, as early as 9.7.1992. PPA filed an appeal dated 23.9.1997 against the said decision, before the Fourth Section of the Piraeus Administrative Court of Appeal, which was rejected by virtue of decision number 408/1999 of the said court. On 19.9.1999 PPA filed an appeal before the State Council.

Claim by “COMPAGNIE MARITIME D’ AFFRETEMENT” and “M.G. MERIAN GmbH & Co. KG”, for the amount of € 121,476, for damages to the ship “ELITE”

By virtue of its action dated 4.10.1995, filed before the Piraeus Administrative Court of First Instance, the French company under the trade name “Compagnie Maritime d’ Affretement” requested payment by PPA of the amount of € 65,513 for damages caused by mishandling of two cranes of the ship “ELITE” by a PPA employee, while the vessel was time-chartered by the plaintiff. The German company under the trade name “M.G. Merian GmbH & Co. KG”, owner of the vessel, filed a main intervention in respective proceedings, requesting payment by PPA of damages of € 55,963.

Decision number 931/1998 of the above court rejected the action as inadmissible, due to the fact that the French plaintiff had not paid court taxes; however, the same decision upheld the main intervention of the German company and adjudicated damages of € 54,097, plus pre-judgment interest.

Claim by “Kefaleokthessiaki S.A.”, for the amount of € 73,059

The aforesaid company filed an injunction, dated September 18, 1995, before the Piraeus Multi-Member Court of First Instance seeking to declare a bill amounting to € 73,059 for a lease of indoor facilities within PPA’s Exhibition Center, commencing on May 20th 1995 and ending May 30th 1995, null and void.

Claim for Damages by “D. PAPAROUNIS SA” amounting to € 70,051 plus a daily overcharge of € 103 for delay of use of a container.

The aforesaid forwarding company has filed an action dated September 14th, 1998 before the Piraeus Administrative Court of First Instance for damages amounting to € 70,051 on the basis that it was prevented from use of a container of which it was the sole proprietor for 682 days plus an overcharge of € 103 for each day PPA further delays delivery of the container as of the aforesaid date.

The case was heard on January 17th, 2001 and Court Decision No. 1454/2001 of the aforesaid court was issued by virtue of which the action was partly successful awarding damages amounting to € 3,068. An appeal against said decision was lodged on January 9th 2002.

Claim for Damages by “BRITISH AMERICAN TOBACCO HELLAS SA” amounting to € 38,497 for loss of merchandise.

The aforesaid company has filed an action, dated March 10th 2000, before the Piraeus Multi-Member Court of First Instance seeking for damages amounting to € 38,497 for loss of a load of cigarettes stored in a container located in PPA’s warehouses.

Claim for damages by “AQUA SPORT SA” amounting to € 128,522 due to damaged merchandise.

The aforesaid company has filed an action before the Piraeus Administrative Court of First Instance seeking for PPA to restore damages amounting to € 128,522 on the Company’s merchandise (a yacht) during its unloading at the Port of Piraeus due to fault of PPA’s employees. Decision No. 2174/1996 of the aforesaid Court was issued declaring the action successful in part awarding damages of 36,903 to the plaintiff with pre-judgment interest due from servicing of the action to the defendant.

PPA lodged an appeal against the Decision on November 11th, 1996 before the Piraeus Administrative Court of Appeals (Three - Member Division C’) which partly accepted the appeal limiting the award to an amount of 35,345, with prejudgment interest as of August 25th, 1993. Against the decision of the Court

of Appeals, PPA filed a further appeal (petition for cassation) before the State Council (Supreme Administrative Court).

“ODYSSEAS II” Shipping Company – Action for damages amounting to € 60,774 (damage to a ship).

The aforesaid shipping company has filed an action before the Piraeus Administrative Court of First Instance against PPA for an amount of € 60,774 due to damage caused to the ferry “ODYSSEAS II” owned by the plaintiff during a collision with a water carrier owned by PPA inside the Port Piraeus, said collision being the result of fault of the captain of the water carrier, PPA’s agent.

Decision No. 473/1995 of the aforesaid Court declared the action successful in part and awarded an amount of € 19,516, plus prejudgment interest as damages to the plaintiff. PPA appealed against the decision before the Piraeus Administrative Court of Appeals (Three-Member Division B’), which rejected said appeal by virtue of Decision No. 2245/1998.

A petition dated 21.5.2001 for cassation of the Court of Appeals’ decision has been filed before the State Council.

Claim for damages by “BRAZILIAN INVESTMENT FUND AND TRUST LTD” for damages caused on the yacht “KATERINA” during its unloading, amounting to US \$600,000.

On 17.3.1989, the aforementioned company, based in Valetta, Malta, filed a lawsuit before the Piraeus Multi-Member Court of First Instance against Piraeus Port Authority, whereby it requested payment by the latter of the equivalent of US \$600,000, as compensation for the damages incurred by it due to the total destruction of the yacht “KATERINA” during its unloading at Piraeus Port, which was allegedly caused through the fault of Piraeus Port Authority employees.

Claim by the National Bank of Greece for damages amounting to € 90,061

The National Bank of Greece has filed an action, dated May 2nd, 1997, before the Piraeus Administrative Court of First Instance against PPA for damages on the basis of unjust enrichment amounting to € 90,061 which the plaintiff paid to PPA for duties imposed by PPA for unauthorized berthing to the Bank for the period between June 16th, 1995 and August 1st, 1995 regarding the ship “PANAGIA”, under Maltese flag, bought by the Bank in the context of a forced sale.

The Court held in favor of the action by virtue of its decision 2299/1998 declaring the action as a claim for damages under Articles 105 – 106 of the Introductory Law of the Civil Code.

PPA has lodged an appeal, dated October 14th, 1998 against said decision before the Piraeus 1st Three - Member Administrative Court of Appeals, which was rejected by the Court by Decision No. 609/2001 confirming the decision of the first instance.

PPA has not further appealed against the latter decision because it considered that there were no grounds for such further appeal and now awaits for the plaintiff to seek enforcement of the decision before it pays since the action of the Bank sought only for recognition of the claim (thus said decision is not enforceable *ipso facto*).

The Court of Appeals issued decision number 609/2001, which rejected PPA’s appeal. No further appeal has been filed.

Claim by the National Bank of Greece for damages amounting to € 78,250

The National Bank of Greece has filed an action, dated June 28th, 1996, before the Piraeus Three-Member Administrative Court of First Instance against PPA for damages on the basis of unjust enrichment amounting to € 78,250 which the plaintiff paid to PPA for duties imposed for unauthorized berthing by PPA to the Bank for the period between June 16th, 1995 and August 1st, 1995 regarding the ship “PANAGIA” owned by the Bank.

By virtue of Decision No. 2585/1998 of the Piraeus Administrative Court of First Instance the action was declared successful in part ordering PPA to return to the plaintiff repair duties paid in excess plus prejudgment interest as of servicing of the action to the defendant and until full satisfaction of the plaintiff.

On October 26th, 1998 PPA appealed against said decision. By decision No. 964/2001 the Piraeus Administrative Court of Appeals has accepted PPA’s appeal.

Action for recognition of a claim raised by TEXACO SA amounting to € 204,897 (return of compensation for concession of an area as unjust enrichment)

The aforesaid company filed an action, dated October 11, 1999, before the Piraeus Multi-Member Court of First Instance against PPA, seeking for recognition of a claim against PPA amounting to € 204,897, regarding to a compensation for the concession of an area in Aspopyrgos, Attiki during a period from April 4, 1974 to December 31st, 1998, which was unduly paid.

PPA announced the pending trial to the Public Entity under the name “Elefsis Port Fund” which filed an intervention dated March 8th, 2001 in favor of PPA SA and against the plaintiff, seeking for recognition of its claim against PPA for an equal amount and of its jurisdiction over the area conceded by PPA to TEXACO since the year 1974.

Claim of Emporiki Insurance (now Alpha Insurance) for damages due to loss of merchandise amounting to € 79,172.

The aforesaid insurance company filed an action, dated December 18th, 1998 before the Piraeus Three-Member Administrative Court of First Instance seeking PPA to pay the aforesaid amount which the plaintiff paid to “FIORINA INDUSTRIES SA” as an insurance claim for fulfillment of the risk of loss of merchandise (textile) owned by the aforesaid company and insured by the plaintiff. The loss of said merchandise took place in the Ikonio Free Zone during clearance thereof through the Customs Office.

Claims for the death of the late George Spelias by his family (wife Eleni, son Epameinondas and daughter Evangelia) amounting in aggregate to € 208,745

The aforesaid members of the family of the deceased, all residents of Kallithea, Attiki, filed an action, dated February 13th, 1998 against PPA SA claiming damages amounting in aggregate to € 208,745 (in particular € 150,051, € 29,347 and € 29,347 for the first, the second and the third plaintiff respectively) regarding funeral expenses, loss of income and pecuniary compensation of moral distress for illegal actions or omissions of PPA’s agents and employees which led to the death of George Spelias, Customs Officer, on April 15th, 1994 in an area of Dock 3 controlled by PPA.

According to the Bureau of Legal Affairs of PPA SA the action was denied by virtue of decision 638/2001 of the Piraeus Administrative Court of First Instance.

Claim of “TERNA ENERGY INDUSTRIES SA” for damages amounting to € 59,685 for goods destroyed

The aforesaid company filed an action, dated September 29, 2000 before the Piraeus Three - Member Administrative Court of First Instance against PPA seeking damages amounting to € 59,685 for merchandise (wind turbine wings) destroyed due to fault of PPA's agents.

On January 9th, 2001 PPA filed an announcement of the trial before the Multi - Member Court of First Instance to an insurance company, “ATLANTIC UNION INSURANCE SA”, which was covering said claim by insurance; said insurance company filed an intervention in favor of PPA requesting rejection of the plaintiff's action.

A new intervention was filed on February 20th, 2001 by “ALPHA Insurance SA” against the plaintiff and PPA with a request for a recognition that upon payment of an amount of € 54,815 to the plaintiff said insurance company succeeded the plaintiff and assumed all the rights of the action with regard to such thus seeking payment of the amount of € 54,815 by PPA.

On March 20th, 2001 another intervention was filed by “ATLANTIC UNION INSURANCE SA” requesting rejection of the intervention of “ALPHA Insurance SA” dated February 2001 against PPA.

TERNA and Alpha Insurance waived their rights from their action and intervention on September 23, 2001 and October 23, 2001 respectively and filed their actions dated January 3d 2001 with requests identical to the ones contained in their previous actions. Hearing of the cases was set for April 14th 2002. PPA SA filed an invitation to ATLANTIC UNION SA for an intervention in the pending trial. The action and the invitation were heard on October 1st 2002 and a decision is expected.

Claim for compensation by “MSC - MEDITERRANEAN SHIPPING COMPANY SA for damages to cargo, amounting to € 371,000.

On 10.01.2000, the aforementioned company, based in Geneva, Switzerland, filed a lawsuit before the Piraeus Multi-Member Court of First Instance against Piraeus Port Authority, whereby it requested payment by the latter of the amount of € 371,000, as compensation for the destruction of cargo, which was allegedly caused through the fault of Piraeus Port Authority agents. On 3.01.2001, Piraeus Port Authority filed before the Piraeus Multi-Member Court of First Instance a trial announcement accompanied by an impleader requesting the forced intervention of the insurance company “ATLANTIKI ENOSI SA”, which insures Piraeus Port Authority against the risks and civil liability for the compensation of third parties in connection with material damages caused by its machinery. On 16.02.2001, an additional intervention was filed by the aforementioned insurance company in support of Piraeus Port Authority and against the plaintiff, whereby seeking the rejection of the lawsuit. These cases came up for hearing on 2.10.01 and the judgement made was in part against PPA SA, while an interim judgement has been issued, on the basis of which evidence proceedings have been initiated.

On the basis of a letter by the Company, an appeal of the joint venture against the Company is pending before the State Council.

Claim of “PRO-PO-M INDUSTRIES SA” for damages for warehouse duties on the grounds of unjust enrichment.

The aforesaid company with registered offices in Athens filed an action, dated July 20th, 1981 before the Multi Member Court of First Instance against PPA seeking for payment by PPA of an amount to € 79,237 and the recognition of a debt of PPA to the plaintiff also amounting to € 79,237 as damages for warehouse duties which were unjustifiably paid and the deprivation of use of merchandise (tractors).

By virtue of decision No. 6,710/1982 the action was denied. The plaintiff lodged an appeal, dated July 27th 1983 against this decision before the Athens Court of Appeals, which rejected the appeal by its decision No. 1,530/1990.

On May 27th, 1992 the plaintiff filed a petition of cassation before the Supreme Court of Justice seeking for a cassation of the Court of Appeals' decision. The Supreme Court of Justice issued Decision No. 566/1995 by virtue of which it overthrew in part Decision No. 1,530/1990 and returned the case for trial on the merits before the Court of Appeals which in turn issued Decision No. 7,803/1996 by virtue of which it declared the action of the plaintiff successful in part and recognized PPA's debt for an amount of € 42,377. On July 23d, 1999 PPA filed before the Supreme Court of Justice a petition for cassation of the new decision No. 7,803/1996 of the Court of Appeals.

Claim of "Industrial Exhibition Institute Ltd." for an amount of € 103,454

The aforesaid plaintiff filed on May 25th, 1987 before the Piraeus Multi - Member Court of First Instance an action against PPA and an injunction against PPA and the "Bill for Attestation of Income" No. 1,965, dated July 9th, 1986 challenging on one hand said bill and seeking to recognize its validity only for the amount of € 25,816 and its nullity for the amount of € 57,420 and seeking on the other hand by means of the action damages of an amount of € 46,034 for failure to prepare exhibition facilities in accordance with a pertinent agreement.

Claim of PELFLYER SHIPPING COMPANY SA for damages due to loss of material amounting of € 117,388.

The aforesaid company, incorporated and with registered offices in Panama, filed an action, dated March 20th, 1991 before the Piraeus Administrative Court of First Instance seeking for damages amounting to € 117,388 for the loss of accessories of the ship "PELFLYER" stored in warehouses within PPA's area of control. By virtue of Decision No. 3357/1994 of said Court the action was denied.

The plaintiff lodged an appeal on February 15th, 1995 against the decision of first instance, which was also rejected by virtue of decision No. 2,689/1996 of the Administrative Court of Appeals.

The plaintiff filed an action, dated 18.3.1991 before the Piraeus Multi - Member Court of First Instance. By virtue of Decision No. 6,120/1998 of the aforesaid Court the case was sent for hearing before the special division for Maritime Disputes (Multi-Member) of said Court of First Instance.

Claim by "ARMOS SA – BIOTER SA Joint Venture" for contractor's fees amounting in aggregate to € 2 million.

On 13.10.1995 and on 17.07.1997 the aforementioned Joint Venture lodged two complaints against Piraeus Port Authority before the Piraeus Administrative Court of Appeal, whereby it requested payment by the latter of the amounts of € 541,000 and € 1.46 million, respectively as outstanding and payable contractor's fees for the construction of the eastern section of Pier no. 2 at the Piraeus Port Authority port of Neon Ikonio. By virtue of Judgement no. 118/1997 issued by the Piraeus Three-Member Administrative Court of Appeal the aforementioned complaints were rejected. On 15.07.1999, the plaintiffs lodged an appeal before the Council of State.

In accordance with a letter by the Company, an appeal by the joint venture against the Company is pending before the State Council.

Claim by “D. ZOIS – TOURIST ENTERPRISES AND BEVERAGES SA”

The aforesaid company filed an action on April 21st 1994 before the Piraeus Administrative Court of First Instance against PPA seeking for damages amounting to € 75,508 for actual damages, loss of profit and moral distress for loss of merchandise (spirits). Decision No. 2,709/1996 of the Piraeus Three-Member Administrative Court of First Instance ordered PPA to pay € 11,126 as damages to the plaintiff.

By virtue of Decision No. 406/1998 of the Piraeus Administrative Court of Appeals PPA’s appeal against the decision of first instance was declared partly successful limiting the damages to € 4,989.

On December 13, 1998 PPA has further appealed against the appellate decision before the State Council.

Claims of Nikolaos Moraitis, son of Efstathios and Evangleos Ghiakos, son of Ilias amounting to € 208,830, from failure to perform contracts

The aforesaid plaintiffs, residents of Piraeus, filed on April 17th, 1990 before the Piraeus Multi - Member Court of First Instance, two actions against PPA seeking recognition of the fulfillment of a condition subsequent of the sale of two water carriers “PIRAEUS 3” and “PIRAEUS 4” by the plaintiffs as sellers to PPA as buyer and of an obligation of PPA to pay an aggregate amount of € 208,830 as damages for frustration of the aforesaid sale.

By virtue of Decision No. 1,043/1993 of the Piraeus Court of First Instance the action was held partly successful, whereas at the same time a counter-action filed by PPA on May 28th, 1990 was denied. Both parties challenged said decision by means of their appeals, dated January 24, 1994 and March 28th, 1993 respectively.

By virtue of Decision No. 254/1995 of the Piraeus Court of Appeals the appeal filed by Messrs. Ghiakos and Moraitis was denied, the appeal and the action of PPA were upheld and Decision No. 1,043/1993 was overthrown; as a result the defendants were ordered to pay PPA an amount of € 59,868.

Although the claims of the aforesaid opponents have been rejected, the latter have raised a new claim based on the same legal cause for an amount of € 162,542.

Claim by “METKA (METALLIKAI KATASKEVAI ELLADOS) S.A.” for enforcement of a penalty amounting to € 54,041

The aforesaid company has filed an action on March 5th, 1999 before the Piraeus Three-Member Administrative Court of Appeals seeking damages to be paid by PPA amounting to € 54,041 for an illegal and arbitrary imposition of a penalty.

Claim by “KENDRA Shipping Ltd.” for damages amounting to € 56,310 regarding fines unduly paid.

The aforesaid company, incorporated in Cyprus, filed on April 21st, 1997 an action before the Piraeus Three-Member Administrative Court of First Instance against PPA for an amount of € 56,310 plus prejudgment interest as of March 5th, 1997 until payment in full.

By virtue of Decision No. 958/2000 of the Piraeus Administrative Court of First Instance issued upon hearing of the aforesaid action and the intervention, dated March 23^d, 1998 of a German company under the trade name “WALTER RITSCHER GmbH”, with registered offices in Hamburg, Germany it was recognized that PPA is obligated to pay Drs. 19,187,856 and to return to the plaintiff of two letters of guarantee for € 17,990 and € 4,549 (Nos 9,687/18.03.1996 and 9,677/08.03.1996 respectively) whereas the intervention was rejected.

The aforesaid German company filed an appeal on September 27, 2000 against the decision of the first instance.

Claim by “RECYCLING CENTER OF OIL PRODUCTS– PERIVALLONTOLIGIKI SA” for enforcement of a penalty amounting to € 57,227.

The aforesaid company with registered offices in Piraeus filed an action on July 17th, 1998 before the Piraeus Three-Member Administrative Court of Appeals challenging Resolution No. 127, dated June 17th, 1998 issued by the PPA Board of Directors with regard to imposition of a special penalty against the plaintiff for an aggregate amount of € 57,227.

Claim by the National Bank of Greece for redrafting of a creditors’ table amounting to € 208,995

On March 7th, 1997, NBG filed an injunction before the Piraeus Single-Member Court of First Instance against the Table of Classification of Creditors No. 16,181/1997 of the Notary Public in and for Piraeus Mrs. Z. Souris, regarding the forced sale of the ship “APOLLO EXPRESS” and against PPA and other creditors on the grounds that:

- (a) PPA classified in said table for duties amounting to USD 162,639.86 relating to handling of passengers luggage and circulation of vehicles in its facilities although said duties are incurred directly by passengers and holders of the vehicles and are collected together with the fare by the ship owner who is obligated to pay same to PPA and are not to be associated with the ship so that they may enjoy any security or preference with regard to the price of the forced sale, and
- (b) PPA should not enjoy a privilege concerning its claim for an amount of USD 134,089.70 plus interest relating to duties for unauthorized berthing from June 1st, 1996 and July 31st, 1996, in view of the fact that the debtor company (the ship owner) was unable to move the ship due to legal and practical reasons from the position she was due to an attachment imposed upon her. Therefore the aggregate amount of the Bank’s claim amounted to € 208,995.

By virtue of Decision No. 1865/1998 of the Piraeus Single-Member Court of First Instance the injunction was rejected and said table of classification of creditors was amended to the effect that PPA was placed in the first class for an amount of € 64,406 to the detriment of other defendants; as a result PPA’s privilege was extended to an aggregate claim of € 441,992.

Claims by the National Bank of Greece, the Marine Veterans Security Fund (MVSF), etc. for redrafting of a creditors’ table amounting to € 64,406

Several injunctions were filed against a table for the Classification of Creditors under No. 16181/1997 of the Notary Public in and for Piraeus Mrs. Z. Souris, regarding the classification of creditors entitled to proceeds of the forced sale of the ship APOLLO EXPRESS 2 before the Piraeus Single-Member Court of First Instance, including: (a) an injunction, dated March 6th 1997 by the National Bank of Greece; and (b) PPA’s injunction dated March 19th 1997 (Reg. No. 3194/1997) which were upheld by virtue of decision No. 1865/1998 of said Court.

The aforesaid decision was appealed against by the MVSF (Reg. No. 2635/1997), the National Bank of Greece – NBG (Reg. No. 2734/1997), the Greek State and the Piraeus Tax Office for Ships on October 10th, 1998, March 125th 1998 and March 19th 1999, respectively.

Appeals (b) and (c) were upheld as being admissible on procedural grounds, whereas MVSF’s appeal was rejected due to the absence of lawful interest.

MVSF (Reg. No. 1487/198), NBG (Reg. No. 460/1999) and the Greek State (Reg. No. 553/1999) filed an injunction requesting upholding of the appeal under No. 2734/1997 and rejection of appeals under Nos. 2635/1997 and 3194/1997 and rejection of injunctions 3194/1997 and 2734/1997, to the extent such writs concern the Greek State.

By virtue of Decision no. 371/2000 of the Piraeus Court of Appeal (Marine Disputes Division) MVSF's appeal no. 1,487/1998 was partly rejected as typically invalid, whereas appeals under nos. 460/1999 and 553/1999 were upheld, as well as appeal no. 1487/1998, only to the extent relevant to NBG. Appeal number 553/1999 of the Greek State was rejected on the merits. Subsequently, appeal number 460/1999 by NBG was upheld on the merits, decision 1865/1998 of the Piraeus Single-Member Court of First Instance was annulled and, lastly, injunctions under numbers 3194/1997 and 2734/1997, filed by PPA and NBG, respectively, were partly upheld.

On 06.02.2001, the MVSF filed an appeal before the Supreme Court against the said decision of the Piraeus Court of Appeals. The aggregate amount claimed by the MVSF equals € 64,409 and is requested to be paid from proceeds of the forced sale, contrary to PPA's privileged ranking on such proceeds.

Claim by "GENKA Industries SA" for damages due to loss of merchandise amounting to € 62,714.

The aforesaid company, with registered offices in Greece, filed on February 6th 1996 before the Piraeus Administrative Court of First Instance claiming damages amounting to € 62,174 for loss of merchandise (spirits) within PPA's area of concern.

By virtue of Decision No. 3,663/1999 Piraeus Administrative Court of First Instance (10th Three - Member Division) the action was not heard due to failure of the plaintiff to pay the pertinent stamp duty.

Claims by "KLEARCHOS ROUTSIS SA" for payment of contractor's fees € 580,636 (45,693).

The aforesaid construction company filed before the 1st Piraeus Three-Member Administrative Court of First Instance four injunctions, dated July 27th, 1997, July 17, 1997 and December 30th, 1997 respectively against PPA and the Hellenic State (represented by the Minister of E.P.P.W.) in order to challenge the tacit rejections of administrative remedies raised before the Minister against pertinent decisions of PPA's Board of Directors which in turn rejected the plaintiffs objections against resolutions of the Board by virtue of which the requests for readjustment of the unit price concerning a Project under the title "Construction of the DSE Equipment Repair Workshop in Neo Ikonio" assigned to the plaintiff were rejected.

By Decisions Nos. 1,739/1998, 36/1999 and 1,740/1999 the Court partly upheld the first injunction awarding an amount of € 45,693 and rejected the remaining three injunctions. PPAS has lodged a petition for cassation, dated March 19, 1993 before the State Council; the hearing of the case has not yet been set. With regard to the decisions rejecting the opponents claims no legal remedies have been notified to PPA.

Claim by "GNOMON SA" for damages amounting to € 196,625

The aforesaid construction company filed before the Multi-Member Court of First Instance an announcement of trial – together with an invitation and interim action, date October 12th, 1992 against PPA and AGF Kosmos insurance company requesting PPA and the insurance company to intervene in a pending trial between the plaintiff and the general partnership under the trade name "A. PETROU – H. STAVRIANOS GP", in their capacity as owner of a project assigned to the plaintiff in the context of which the general partnership incurred damages and insurer for general civil liability respectively on the basis of a valid insurance policy.

There has been no progress in this case for the past eight years.

Claim under pledge by Alpha Bank for an amount of € 547,175

On April 21, 1994 the aforesaid Bank filed an action before the Multi-Member Court of First Instance against PPA claiming payment of an amount of € 547,175 regarding a claim by a debtor of the Bank, “BENIK SA”, against PPA over which the Bank enjoyed a pledge.

Claim by MANESSMANN DEMATIC AG GOTWALD (MDG), for the amount of € 583,977

On 20.8.2001 the plaintiff, a German company, filed a lawsuit before the Piraeus Multi-Member Court of First Instance, whereby it requested that PPA SA be forced to the payment of the amount of € 583,977, plus prejudgment interest, as compensation for the direct and consequential damages incurred by it due to the cancellation by PPA SA of a purchase order for a mobile harbour crane by the plaintiff. Specifically, in its lawsuit MDG argues that by virtue of Resolution no. 134/14.6.2000 of the PPA SA Board of Directors the procurement of the harbour crane was awarded to it for a consideration of € 2,142,333, plus VAT. For the procurement of this crane, PPA SA had launched an open public tender based on lowest bidding price, on 26.6.1999. The plaintiff alleges that although it took all necessary steps in order to comply with its contractual obligations towards PPA SA, indeed under pressure from PPA SA and having been reassured by the same that the execution of a relevant contract was merely a formality, it was only informed as late as 07.9.2000 that the signing of the contract was subject to an approval by the Audit Council; by way of its report no. 115/10.10.2000, the latter issued a negative opinion on the matter, judging that in the particular procurement agreement the relevant national and EU laws had not been duly applied. The plaintiff requests that PPA SA be forced to the payment of: (a) the amount of the difference between the price agreed upon with Piraeus Port Authority and the price for which the crane was sold to an Italian company in February 2001, when PPA SA withdrew from the agreement invoking nullity of the contract; and (b) the amount of expenses and expenditures incurred by the plaintiff due to the cancellation of the procurement order, as presented in detail in its lawsuit.

Claim by “NAUTILUS S.A. Shipyards”, for the amount of € 583,977 (declaratory action)

PPA SA had conceded to the aforementioned shipyards the use of spaces in the area of Ampelakia in Salamina by virtue of concession agreement no. 124/27.5.2000. On 24.9.2001, NAUTILUS SA filed a lawsuit before the Piraeus Single-Member Court of First Instance, whereby it requested the Court’s confirmation of the inexistence of its liability as to the payment of lease payments to PPA SA for the aforementioned concession as of 03.02.1998, when Piraeus Port Authority proceeded to the attachment of the passenger/car ferry under Greek flag “PANAGIA PAXON”, while the latter laid within the aforementioned conceded sea area, expediting an auction in order to satisfy a claim against the ship owner. The plaintiff maintains that as from that moment onwards the concession to it by PPA SA of the said area was in essence revoked, and hence requests the Court’s confirmation as to the fact that the plaintiff does not owe the fees relevant to the aforementioned concession, which it values at € 43,997 per year.

Furthermore, the plaintiff claims the amount of € 583,977 as compensation for direct and consequential damages incurred by it due to the aforementioned deprivation of the right to use the conceded area.

Claim by Rothmans S.A., for the amount of € 69,736

The above plaintiff filed an action dated 23.4.1000 before the Three-Member Administrative Court of First Instance of Piraeus, seeking payment from PPA (then operating as a Legal Entity of Public Law) of the amount of € 69,736, plus pre-judgment interest, as damages for the loss of cargo (98 cartons of cigarettes), stolen by unknown persons in February 1999 from a container, while in storage at PPA’s site in Ikonion.

Claim by “FANTUZZI REGIANE S.p.A.”, for the amount of € 448,276

On 24.07.2000 the aforementioned Italian company filed a lawsuit before the Piraeus Multi-Member Court of First Instance against PPA SA, whereby it requested the payment of the above amount as compensation for direct damages, loss of profit and moral damages incurred by it due to the non-award to it of a tender called by Piraeus Port Authority for the supply of a mobile harbour crane. The plaintiff maintains that the aforementioned tender was unlawfully not awarded to it.

Claim by Mr. Constantine Kokkotis, for the amount of € 236,288

On 06.04.1999 the said plaintiff filed an action before the Piraeus Single-Member Court of First Instance, requesting payment of the said amount as direct and consequential damages allegedly suffered due to the non timely execution of a three-year lease agreement for the concession of a cafeteria of an area of 20 square meters, in the waiting room of the passenger terminal of the K. Constantine pier. The plaintiff had been selected as the preferred bidder in a respective tender proclaimed by PPA, by virtue of Act number 372/97 of its Executive Committee.

Claim by N. Orestis, for the amount of € 469,552

Ms Nikoletta Orestis, Attorney at Law, served at the Legal Department of Piraeus Port Authority (at the time of its operation as a Legal Entity of Public Law), and was promoted in the year 1985 to the position of Head of said Department. On 22.12.2000 the aforementioned plaintiff filed before the Athens Multi-Member Court of First Instance a lawsuit against PPA SA, Mr. Spyridon Stalias, acting Officer-in-Charge of Piraeus Port Authority in 1994, Mr. N. Tryfonas, Attorney at Law, Head of the Legal Department of Piraeus Port Authority, and Ms Eleni Rekleitis, Attorney at Law, officer of the aforementioned Department, requesting their conviction to the payment of the amount of € 234,776 as compensation for the moral damages allegedly incurred by her due to their actions aimed at debasing her personality.

On 19.03.2001, the aforementioned plaintiff filed before the Athens Multi-Member Court of First Instance a second lawsuit against PPA SA, Mr. Spyridon Stalias, acting Officer-in-Charge of Piraeus Port Authority in 1994, Mr. N. Pentheroudakis and Mrs. E. Papadopoulou, administration officers of Piraeus Port Authority, requesting their conviction to the payment of the amount of € 234,776 as compensation for moral damages allegedly incurred by her due to their actions aimed at debasing her personality.

The above claim, for an aggregate amount of € 469,552, is at the stage of evidence before the Athens Multi-Member Court of First Instance; an action on the same legal basis has been scheduled for hearing before the Athens Administrative Three-Member Court of First Instance on 12.03.2003.

Claim by “ECOLOGIKI S.A.”, for the amount of € 204,312

On 15.09.2000, the said company filed an action before the Piraeus Multi-Member Court of First Instance, whereby it requests payment of the amount of € 204,312 as consideration due for performance of cleaning services at various sites of PPA S.A.

Claim by Mr. Christos Psomadakis, for the amount of € 829,327

On 06.12.2000 the customs agent Mr. Ch. Psomadakis filed a lawsuit before the Piraeus Multi-Member Court of First Instance against PPA SA, whereby he requested the aforementioned amount as compensation for the injury to which he was subjected on 18.02.1998 in the restrooms of the Management building at the Container Terminal in Neon Ikonio.

The initial date for the hearing of this lawsuit was set for 23.01.2002 and the hearing actually took place on 29.01.2003.

Claim by NEDLLOYD LIJNEN B.V., for the amount of € 81,046

The said company filed an action dated 01.05.1993 before the Piraeus Three-Member Administrative Court of First Instance, seeking the payment of the above amount for damages caused to the ship

“NEDLLOYD TASMAN” (owned by the plaintiff) on May 26, 1992, at the New Ikonion pier, allegedly through the fault of PPA’s agents.

Decision number 1182/1995 was issued, which rejected the above action as inadmissible. The plaintiff filed an appeal dated 31.01.1996, which was rejected by virtue of decision number 666/1997 of the Piraeus Administrative Court of Appeal (Fourth, Three-Member section).

The plaintiff filed a further appeal dated 09.02.1998 before the State Council.

Claim by KAPPA MARINE S.A., for the amount of € 447,000

By its lawsuit filed on 9.4.2002 before the Piraeus Multi-Member Court of First Instance, the company bearing the title “KAPPA MARINE SA” requests the payment of an aggregate amount of € 447,000 as compensation for material damages caused on a ship owned by it during its loading/unloading at the Company’s protected facilities. The plaintiff argues that the Company is responsible for the extensive damages caused, due to the agency relationship it holds with its competent employees.

Claim by GRADERCO, for the aggregate amount of € 130,567

The Company identified an action dated 31.07.2002 by the company under the trade name “GRADERCO”, with registered offices in Kasablanca of Morocco, brought against the Company. By its action, the plaintiffs request payment of lost profits of an aggregate amount of € 130,567, due to obstructions caused by the Company in the course of unloading of a corn cargo of the plaintiffs at the port of Piraeus; specifically, the Company requested the production of additional documents in relation to the cargo, causing a delay of 37 days to the plaintiffs and finally prohibited the unloading of part of such cargo at its site.

D. EXPROPRIATION CASES

Claim by J. Vazaios, for the determination of expropriation unit price, for € 35,786

The said plaintiff filed a petition dated 21.12.1999 against POA before the Piraeus Multi-Member Court of First Instance, requesting the determination of the unit price for his property at Ampelakia, Salamina, expropriated by PPA, to the amount of € 411 per square meter.

Decision number 7164/2000 was issued by the above court, which ordered evidence.

Decision 1788/2002 was subsequently issued, whereby the previous decision under number 7164/2000 was revoked and both the plaintiff’s petition and PPA’s counter-petition were rejected.

Expropriation for the opening up of a Piraeus Ring Road – € 2,714,600

On 28.06.2001 PPA SA filed before the Piraeus Single-Member Court of First Instance a petition for the designation of the interim unit rate for the land under expropriation owned by the company “ATLANTIKI ALEIHA BAKALAOU SA” at the amount of € 147 per square metre. The hearing of the said case was scheduled for 17.09.2001.

In accordance with a letter by the counsel instructed by PPA on that matter, according to Judgement no. 43/2002 issued by the aforementioned Court, the interim unit rate was set at € 528. At the same time, it was ruled that the part of the land remaining after the expropriation is subject to full devaluation, and thus the beneficiaries are entitled to full compensation for the entire area of 5,000 square metres, while an area of 1,831 square metres will remain in their ownership.

The total sum of the compensation they are therefore entitled to amounts to € 2,641,233 (5,000 sm. X € 528) plus € 73,368 for the adjudicated legal expenses and lawyer's fees, i.e. € 2,714,600 in total. PPA SA filed a petition before the Piraeus Court of Appeal for the designation of a definitive unit rate.

Decision number 1190/2002 was issued by the Piraeus Court of Appeal, which upheld the unit price for the expropriated part of the property (€ 528 per square meter) and set the amount of compensation to € 440 per square meter for the remainder.

Lawsuit by Mrs. Eugenia Mathioudis

The Company informed us of a lawsuit dated 29.6.2002 by Mrs. E. Mathioudis, lodged against the Company and the Greek State, whereby the plaintiff requests the revocation of a decision to have expropriated property owned by the plaintiff and, alternatively, payment of damages of € 144,000 or payment of an amount of € 77,731.

ANNEX 3: Designated Auditors' Audit Certificate for year 2002

“In the course of the ordinary audit of the financial statements of the corporation under the name “PIRAEUS PORT AUTHORITY S.A.” for the year ended 31.12.2002, we reviewed and evaluated the Company’s financial and accounting internal audit, to the extent deemed necessary, such as to be in a position to express an opinion on the system’s reliability, as required by the Auditing Standards in force (Government Gazette 1119B’/1979) and the International Auditing Standards. The exclusive purpose of such review and evaluation was to determine the nature, the timing and the extent of auditing procedures that we deemed necessary to implement, such as to be in a position to express an opinion on the company’s financial statements. As a result, our review was significantly more limited compared to a review that would have been required in order to assess the sufficiency of the internal audit system in its entirety.

We note the fact that, due to constraints inherent in any internal audit system, it is possible that mistakes or management irregularities may exist, but not be revealed by the audit. In addition, the future projection of any current assessment on the reliability of a system is faced with the risk that procedures may subsequently prove to be insufficient due to changes in circumstances or due to the fact that the extent of implementation of such procedures may be downgraded in the future.

The satisfactory development of efforts for the enhancement of the Company’s internal audit system and accounting organization needs to be intensified, especially as regards procedures and certification systems.

Until today, no disagreement arose with the Company’s management in connection with the matters and conclusions of our audit.

Taking into consideration the above, based on the basis of the auditing and verification procedures that we implemented in accordance with the Auditing Standards for the exclusive purpose of formulating an opinion on the annual financial statements, we conclude that we are not aware of any shortcomings which may materially affect the sufficiency and reliability of the accounting organization and financial-accounting internal audit systems of the above company, in connection with the year ended on 31.12.2002.”

ANNEX 4 (Following Page): Financial Statements for the Year 2002

Admission of PPA SA Shares to the Main Market of the Athens Exchange

PIRAEUS PORT AUTHORITY S.A. PPA S.A. BALANCE SHEET AS OF DECEMBER 31, 2002 3th FISCAL YEAR (JANUARY 1, 2002 - DECEMBER 31, 2002) S.A.R. No. 42646/02/B/99/49 AMOUNTS IN EURO									
ASSETS						LIABILITIES			
	2002			2001			2002		2001
	At Cost	Depreciation	Balance	At Cost	Depreciation	Balance			
B. ESTABLISHMENT EXPENSES							A. EQUITY CAPITAL		
1. Incorporation & first establishment expenses	451.21	180.47	270.74	451.21	90.24	360.97	I. <i>Share capital</i>		
4. Other establishment expenses	6,227,332.19	2,891,581.16	3,335,751.03	5,431,158.10	1,328,177.69	4,102,980.41	1. <i>Paid-in capital</i>		
	<u>6,227,783.40</u>	<u>2,891,761.63</u>	<u>3,336,021.77</u>	<u>5,431,609.31</u>	<u>1,328,267.93</u>	<u>4,103,341.38</u>	2. <i>Reserve Capital</i>		
C. FIXED ASSETS							1. <i>Share capital</i>		
I. <i>Intangible Assets</i>							(25,000,000 nominal shares of 2,00 Euro each)		
1. Research and development expenses	2,364,653.39	913,811.35	1,470,842.04	2,184,403.39	436,680.65	1,747,522.71	1. Paid-in capital	50,000,000.00	50,000,000.00
II. <i>Tangible Assets</i>							IV. <i>Reserve Capital</i>		
1. Land	513,367.57	0.00	513,367.57	513,367.57	0.00	513,367.57	1. Legal reserve	2,220,000.00	1,320,616.29
3. Buildings and technical works	3,525,282.33	122,927.91	3,402,354.42	1,326,524.54	37,949.79	1,288,574.75	4a. Special tax exempt reserve under Law N. 2881/ 2001	61,262,225.52	61,262,225.52
4. Machinery, technical equipment	77,761,037.01	5,198,622.10	72,562,414.91	68,293,817.31	2,416,513.15	65,877,304.16	5a. Reserve from tax exempt income	7,513,226.65	7,211,594.60
5. Means of Transport	11,217,660.50	753,259.49	10,464,401.01	11,270,862.22	334,031.97	10,936,830.25	5b. Reserve from income taxed in special way	728,126.36	728,126.36
6. Furniture and other equipment	3,674,721.86	1,492,802.38	2,181,919.48	3,153,061.86	646,647.65	2,506,414.21		<u>7,743,950.53</u>	<u>7,942,554.77</u>
7. Fixed assets under construction and	<u>29,277,914.96</u>	<u>0.00</u>	<u>29,277,914.96</u>	<u>14,351,622.47</u>	<u>0.00</u>	<u>14,351,622.47</u>	V. <i>Retained Earnings</i>		
	<u>122,970,183.35</u>	<u>7,567,597.83</u>	<u>115,402,585.52</u>	<u>99,909,185.97</u>	<u>3,435,127.65</u>	<u>96,474,058.31</u>	Profits carried forward	18,231,797.47	7,633,826.48
Total Tangible & Intangible Assets (CI+CII)	125,354,837.32	8,481,419.23	116,873,418.09	101,093,559.36	3,872,023.24	97,221,536.12	Total Equity Capital (AI+AIV+AV)	139,975,378.00	128,176,393.26
III. <i>Participations and other long-term receivables</i>									
7. Other long-term receivables			122,826.92			86,053.41			
Total Fixed Assets (CI+CII+CIII)			116,996,247.01			97,307,589.53			
D. CURRENT ASSETS							B. PROVISIONS		
I. <i>Stocks</i>							1. Provisions for staff leaving indemnities	6,221,672.78	6,221,672.78
4. Stocks			4,568,952.27			4,542,974.11	2. Other provisions	<u>39,907,591.15</u>	<u>39,907,591.15</u>
II. <i>Accounts Receivable</i>								<u>26,126,573.34</u>	
1. Customers	1,413,247.24	0.00	1,413,247.24	9,122,200.99	7,623,154.77	1,489,046.22	C. LIABILITIES		
3. Blocked Deposits Accounts			11,400,000.00		0.00		I. <i>Long-term Liabilities</i>		
10 Customers in forced collection	44,429,381.71		44,429,381.71	41,989,747.62			2. Long-term Bank Loans	20,468,965.52	23,393,103.45
Minus: Provisions	<u>30,042,610.22</u>		<u>14,247,493.15</u>	<u>29,347,026.61</u>			II. <i>Short-term Liabilities</i>		
11. Sundry Debtors			8,533.02				1. Suppliers	3,599,813.14	2,065,078.23
12. Advances and credit accounts			<u>41,468,044.90</u>				4. Customer Advances Payments	2,975,304.57	12,187,075.24
							5. Suppliers for Taxes - Duties	11,884,934.54	16,015,045.91
IV. <i>Cash</i>							6. Social Security Funds	2,226,924.03	2,081,185.96
1. Cashier			1,107,642.06			836,981.85	7. Long-term liabilities payable in the subsequent year	2,924,137.93	2,924,137.93
3. Demand deposits & Repos			<u>89,325,798.97</u>			<u>83,205,753.04</u>	10. Dividends payable	8,842,259.72	4,842,259.72
Total Current Assets (DI+DII+DIV)			113,458,438.20			121,578,838.63	11. Sundry creditors	17,498,199.72	3,848,502.82
E. ACCRUALS AND DEFERRED INCOME								<u>47,109,313.93</u>	<u>43,984,185.81</u>
1. Deferred charges			24,358.08			3,439.26	Total Liabilities (CI+CII)	67,578,279.45	67,357,289.26
2. Accrued income			<u>2,259,461.62</u>			<u>232,413.70</u>			
			<u>2,283,819.70</u>			<u>235,852.96</u>	D. PREPAYMENTS & DEFERRED EXPENSES		
TOTAL ASSETS (B+C+D+E)			236,074,626.68			223,226,622.51	1. Deferred earnings	1,576,973.49	1,035,448.17
							2. Accrued liabilities	<u>614,321.61</u>	<u>626,917.68</u>
								<u>2,391,295.10</u>	<u>1,662,365.85</u>
MEMO ACCOUNTS							TOTAL LIABILITIES & EQUITY CAPITAL (A+B+C+D)	236,074,626.68	223,226,622.51
2. Guarantees and collateral securities			8,213,142.72			9,830,835.82			
							MEMO ACCOUNTS		
							2. Guarantees and collateral securities	8,213,142.72	9,830,835.82

Notes:
1. The agreement provided for by Article 35 of Law 2932/2001 for the concession of the rights of use and exploitation over the lands, buildings and installations that lie within the Piraeus Port area is in effect as from 13.02.2002. The Company's results of operation were reduced by the amount of € 1,396,887.25 as a result of payment of the concession fees due under the said Agreement.
2. The Company has been subject to tax audit with respect to the years up until 31.12.2001.

INCOME STATEMENT			DISTRIBUTION OF PROFITS		
DECEMBER 31st 2002 (JANUARY 1 - DECEMBER 31st, 2002)					
	2002	2001		2002	2001
I. / Operating Results			Earnings before tax	30,070,812.91	26,771,553.46
Turnover			(+) Balance of previous year's earnings	7,633,826.48	1,756,856.36
Minus: cost of services provided			(+) Valuation difference from results of period 1.1 - 31.1. 2001	0.00	514,860.87
Gross Profit			(-) Differences due to tax audit	<u>36,116,501.19</u>	<u>29,728,201.79</u>
1. Other operating income					
Total					
Minus: Administration Expenses					
Operating Profit					
PLUS: 4. Credit Interest and similar income	2,885,079.62	4,543,750.74	MINUS: 1. Income Tax	10,682,688.16	10,817,377.48
Minus: 3. Debit Interest and similar expense	<u>976,694.26</u>	<u>1,908,385.36</u>	Profits for distribution	<u>25,432,813.23</u>	<u>16,450,690.44</u>
Total Operating Profit			Profits distributed as follows:		
II. PLUS: Extraordinary Income			1. Ordinary Reserve	899,383.71	733,075.72
1. Extraordinary & non-operating income	265,784.26	538,630.00	2. First Dividend	6,000,000.00	4,842,259.72
2. Extraordinary profits	250,920.00	89,235.43	5a. Reserves from tax-exempt earnings	0.00	2,861,752.19
3. Previous year Income	1,262,061.88	2,054,292.00	6. Reserve from earnings taxed in special way	0.00	170,414.24
4. Revenues from past years' provisions	0.00	2,682,178.42	6d. Tax-free reserve of Article 110 of Law 2238/ 94	301,632.05	188,760.09
Minus: 1. Extraordinary & non-operating expenses	12,935.01	235,132.22	8. Balance of earnings carried forward	<u>18,231,797.47</u>	<u>7,633,826.48</u>
2. Extraordinary losses	4,211.79	0.00			
3. Expenses of previous year	462,384.49	3,180,126.65			
4. Provisions for contingent risks	0.00	618,636.36			
Total Operating & Extraordinary Profit					
MINUS: Depreciation of fixed assets	6,173,430.96	5,200,291.17			
Minus: Depreciation included in operating costs	<u>0.00</u>	<u>0.00</u>			
EARNINGS BEFORE TAX	<u>6,173,430.96</u>	<u>5,200,291.17</u>			

CHAIRMAN OF THE BoD & MANAGING DIRECTOR
SOTIRIOS THEOFANIS
PASS. No. M942416/S-5-98

VICE-PRESIDENT OF THE BoD
SPYROS ALEXANDRATOS
ID No. I 017448 / 71

CHIEF FINANCIAL OFFICER
DIMITRIOS ARTIKIS
ID no. O.E.E. 00167262

CHIEF ACCOUNTANT
MARIA SKORDILAKI
AP.AA. O.E.E. 0003747

CERTIFIED AUDITORS ACCOUNTANTS' AUDIT CERTIFICATE
To the Shareholders of the Social Anonymus Piraeus Port Authority (P.P.A.S.A.)

We reviewed the above financial statements and the respective Annex of the Social Anonymus "PIRAEUS PORT AUTHORITY S.A. (PPA S.A.)" for the year ended 31.12.2002. Our audit was conducted according to the provisions of Art. 37 of L. 2190/1920 "regarding Societe Anonyme" and to the audit procedures deemed appropriate, based on the audit principals and rules followed by the Certified Auditors Accountants' Body and the International Auditing Standards. We were provided with the Company's accounting records and data, and were given all the necessary information and explanations required from the performance of the audit. The company used Greek G.A.A.P. The inventory taken remained the same as in the previous financial year. We verified the agreement of the contents of the Board of Directors' Management Report to the General Shareholders Assembly, to the respective Financial Statements. The Annex includes the information required according to the provisions of paragraph 1 of article 43 a of L. 2190/ 1920. Based on our audit we concluded the following:

In our opinion the above Financial Statements arising from the company's accounting records and data along with the Annex, reflect, having taken into consideration the above remarks as well as the company's notes under the balance-sheet, the financial position of the company at December 31st, 2002, as well as the respective year's results, according to the relevant provisions as in force and the accounting principles that are generally accepted and same as those that the company used in the previous financial year.

Athens, 21 April 2003
THE CERTIFIED AUDITORS ACCOUNTANTS

PANAGIOTIS EVAG. MARKOPOULOS
A.M. S.O.E.A. 11811

PANAGIOTIS S. PANTARIS
A.M. S.O.E.A. 11651

ANNEX 5: Designated Auditors' Audit Certificate for the Year 2001

“The present report was compiled following an audit performed on the financial statements of the corporation under the name “PIRAEUS PORT AUTHORITY S.A.” for the year ended on 31.12.2001, on the basis of the Auditing Standards (Government Gazette 1119/B/1979) and the relevant provisions of law, with the main purpose of establishing the extent of auditing procedures to implement in the course of the audit.

Within the framework of our duties, as external auditors and on the basis of the auditing and verification procedures that we implemented according to the said Auditing Standards for the purpose of expressing an opinion on the annual financial statements, we are led to the conclusion that the internal audit process and the accounting organization of the Company are insufficient. Specifically, the system applicable to recording income, monitoring customer balances and managing inventory stocks immediately require significant enhancements.

Until today, no disagreement arose with the Company's management in connection with the matters of our audit.”

ANNEX 6 (Following Page): Financial Statements for the Year 2001

Admission of PPA SA Shares to the Main Market of the Athens Exchange

PPA S.A. BALANCE SHEET AS OF DECEMBER 31, 2001 2nd FISCAL YEAR (JANUARY 1, 2001 - DECEMBER 31, 2001) S.A.R. No. 42648/02/B/949 AMOUNTS IN EURO											
ASSETS						LIABILITIES					
GRD 2001			Euro			GRD 2000			Euro		
At Cost	Depreciation	Balance	At Cost	Depreciation	Balance	At Cost	Depreciation	Balance	At Cost	Depreciation	Balance
B. ESTABLISHMENT EXPENSES											
Incorporation & first establishment expenses	153.750	36.750	123.000	360.97	225.000	153.750	451.21	451.21			
Other establishment expenses	1.850.852.124	452.575.548	1.398.096.576	4.105.949.481	1.850.039.481	619.414.174	1.335.889.307	3.618.586.307			
	1.550.697.200	1.398.096.576	1.398.096.576	4.105.949.481	1.550.274.001	619.414.174	1.335.889.307	3.618.586.307			
C. FIXED ASSETS											
I. Intangible Assets											
1. Research and development expenses	744.335.455	148.867.091	595.468.364	1.747.522.71	754.193.353	241.857.898	512.335.455	1.503.552.33			
II. Tangible Assets											
1. Land	174.930.000	0	513.367.57	756.717.581	0	756.717.581	2.220.741.25	2.220.741.25			
3. Buildings and technical works	452.013.237	12.931.391	439.081.846	1.268.574.75	57.464.669.683	15.868.810.506	41.585.853.177	122.071.469.34			
4. Machinery - technical equipment	23.271.118.247	823.428.856	22.447.689.391	65.877.304.16	25.402.957.800	11.515.231.081	13.887.726.719	40.750.351.34			
5. Means of Transport	3.840.545.302	113.821.383	3.726.724.009	10.838.830.25	2.878.255.350	1.486.020.818	4.009.355.656				
6. Furniture and other equipment	1.074.405.829	220.345.187	854.060.642	2.508.414.21	1.597.512.230	974.776.496	622.735.734	1.827.544.34			
7. Fixed assets under construction and advance payments	8.600.381.292	0	8.600.381.292	14.339.871.97	0	8.600.381.292	2.821.869.093	2.821.869.093			
	33.703.804.699	1.170.524.827	32.533.279.872	68.274.013.41	61.188.897.746	20.854.054.001	61.188.897.746	178.610.873.08			
Total Tangible & Intangible Assets (C+D+I)			33.128.236.434	97.221.335.12		61.680.563.200	181.014.125.31				
III. Participations and other long-term receivables											
1. Other long-term receivables			29.322.700	88.953.41		418.100	1.221.13				
Total Fixed Assets (C+D+I+III)			33.157.561.134	97.307.689.83		61.680.979.300	181.015.346.44				
D. CURRENT ASSETS											
I. Stocks											
3a. Work in progress		0	0.00		149.227.900	437.939.55					
4. Raw material			1.548.018.328	3.542.924.11		1.877.809.852	5.510.813.95				
5. Spare parts			1.548.018.328	3.542.924.11		2.057.031.725	5.510.813.95				
II. Accounts Receivable											
1. Customers	3.108.389.988		2.597.589.988	7.623.154.77	3.361.631.852	3.361.631.852	9.865.350.61				
Minus: Provisions for doubtful customers											
10. Customers in forced collection	14.308.000.000		4.308.000.000	12.042.719.21	12.650.683.039	12.650.683.039	37.125.999.71				
Minus: Provisions					0						
11. Doubtful accounts	10.000.000.000		0.00		98.953.152	289.341.72					
12. Greek State tax advances	3.108.754.785		4.334.745.758	12.721.190.78	4.850.314.758	13.647.292.03					
Staff accounts	513.238.133				80.761.225.001	380.925.412.53					
Other Debtors	721.781.840				570.610.529	1.874.598.75					
Advances and credit accounts					28.593.983.68	89.571.989.18					
					61.044.177.377	149.795.493.11					
IV. Cash											
1. Cashier			1.171.928	3.439.26	0	0.00					
3. Demand deposits & Repos			78.194.969	232.413.70	0	0.00					
			80.366.897	0.00	0	0.00					
Total Current Assets (D+I+II+IV)			41.427.980.263	121.578.938.63		61.044.177.377	149.795.493.11				
E. Accruals and deferred income											
1. Deferred charges			1.171.928	3.439.26	0	0.00					
2. Accrued income			78.194.969	232.413.70	0	0.00					
			80.366.897	0.00	0	0.00					
TOTAL ASSETS (A+B+C+D+E)			75.054.120.855	223.225.622.51		114.060.998.634	334.735.129.55				
Memo Accounts											
1. Guarantees and collateral securities			3.349.857.305	9.830.835.82	3.377.441.359	9.911.785.94					
4. Other Memo Accounts			3.349.857.305	9.830.835.82	80.748.441.359	266.316.710.64					
Notes:											
1. The Company was created following the transformation of the Legal Entity of Public Law titled "Piraeus Port Authority", and is the global successor of the said Authority, according to Law 2688/1999, as amended and currently in force. The Company's net and is the global successor of the said Authority, according to Law 2688/1999, as amended and currently in force. The Cor determined by the said Committee of Article 9 of C.L. 2180/1920 to rise at € 118.3 million as at 31.12.2001 and includes the share capital, the reserve and the balance of past years' earnings carried forward. The Company's share capital and tax-exempt includes the share capital, the reserve and the balance of past years' earnings carried forward. The Company's 7.8.2001 - 2002 a concession agreement was executed in accordance with Article 35 of Law 2932/2001 in connection with the grant of the right of use and exploitation of the infrastructure and real property lying within the area of the Port of Piraeus.											
2. On 13.2.2002 a concession agreement was executed in accordance with Article 35 of Law 2932/2001 in connection with the grant of the right of use and exploitation of the infrastructure and real property lying within the area of the Port of Piraeus.											
3. Depreciation for the present accounting period was calculated on the basis of the coefficients that are in effect according to the provisions of Presidential Decree 100/98 and of Article 34 of Law 2932/2001 on the basis of the new historic cost values to the provisions of Presidential Decree 100/98 and of Article 34 of Law 2932/2001 on the basis of the new historic cost values.											
4. The Company has been audited for tax purposes for the periods until 31.12.2000.											
5. The entries of the balance sheet for the previous year related to an accounting period of nineteen (19) months and were modified by the valuation Committee of Article 9 of Law 2180/1920; as a result, such figures are not comparable to those of the current year.											

CERTIFIED AUDITORS' ACCOUNTANTS' AUDIT CERTIFICATE
To the Shareholders of the Soci ty Anonymo "Piraeus Port Authority S.A. (P.A.S.A.)"
of the Piraeus Port Authority S.A. (P.A.S.A.)

We reviewed the above financial statements and the respective Annex of the Soci ty Anonymo "Piraeus Port Authority S.A. (P.A.S.A.)" for the year ended 31.12.2001. Our audit was conducted according to the provisions of Art. 37 of L. 2190/1992 "Regarding Societe Anonymo" and to the audit procedures deemed appropriate, based on the material retained for the audit. We verified the system of the internal control of the Company and the accounting records and the internal audit principles and rules followed by the Certified Auditors' Accountants' Board and the International Auditing Standards. We were provided with the Company's accounting records and data, and were given all the necessary information and explanations required from the performance of the audit. The company used Greek C.A.A.P. The inventory method remained unchanged for the year 2001. We verified the system of the internal control of the Company and the accounting records and the internal audit principles and rules followed by the Certified Auditors' Accountants' Board and the International Auditing Standards. We were provided with the Company's accounting records and data, and were given all the necessary information and explanations required from the performance of the audit. The company used Greek C.A.A.P. The inventory method remained unchanged for the year 2001. We verified the system of the internal control of the Company and the accounting records and the internal audit principles and rules followed by the Certified Auditors' Accountants' Board and the International Auditing Standards. We were provided with the Company's accounting records and data, and were given all the necessary information and explanations required from the performance of the audit. The company used Greek C.A.A.P. The inventory method remained unchanged for the year 2001. 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ANNEX 7: Designated Auditors' Audit Certificate for the Year 2000

- “1. The share capital of PPA S.A., which was established by Law 2688/1999 by way of the transformation of the Legal Entity of Public Law titled “Piraeus Port Authority”, and the entries of accounts of any nature included in its Balance Sheet, will be finalised following the inventory and the valuation to be effected by the Committee of Article 9 of Law 2190/1920, which should have been completed.
2. In our opinion, the outstanding amount of the account “Provisions”, i.e. € 23.4 million, does not suffice to cover damages that may be incurred as a result of the non-collection of receivables from claims included in the Balance Sheet, amounting to € 38.6 million, the majority of which is considered as being doubtful, and of non reported liabilities deriving from claims under litigation filed by third parties against the Company, amounting to € 38.1 million approximately.
3. The results of the year: (a) have been increased by the amount of € 12.7 million which pertained to interest income that was due to the former Legal Entity of Public Law, inasmuch as this could not have been included in the books kept by it in view of the accounting system it employed (Public Accounting System); and (b) have been burdened by the amount of € 18.6 million approximately which pertains to expenses for the repair of damages caused by earthquake, part of which should have been related to improvements of fixed assets, although the corresponding amount can not be determined. In any case, the definitive designation of the value of fixed assets will be concluded by way of the imminent appraisal to be effected by the Committee of Article 9 of Codified Law 2190/1920.
4. In view of the fact that analytical accounts were not kept, our audit cannot verify the outstanding balances reported under the “Customers on credit” accounts. On the whole, the process of computerised support required for the improvement of the entire system should be completed immediately.
5. The Company, on the basis of opinion no. 205/1988 stated by the Plenary Session of the Public Legal Counsels, did not effect a provision for compensations of personnel terminating their service due to retirement, because none of the employees was to become entitled to retirement within the next year. If the Company had effected a provision for compensations on the assumption that its entire personnel was to retire from service on 31.12.2000, according to Paragraph 14 of Article 42 (e) of Law 2190 /1920, this would have amounted to € 6.2 million approximately.
6. No tax-audit has been effected with respect to the Piraeus Port Authority as a Legal Entity of Public Law, of which PPA S.A. is the global successor”.

ANNEX 8 (Following Page): Financial Statements for the Year 2000

Admission of PPA SA Shares to the Main Market of the Athens Exchange



Piraeus Port Authority (PPA S.A.) S.A.R. No. 42645/02/B/99/49 Balance Sheet as of December 31, 2000 - 1st Fiscal Year (June 1 1999 - December 31, 2000)

Assets		Accounts		Amounts in GRD			Liabilities		Accounts		Amount in Grd	
				At cost	Depreciation	Balance						
B. Establishment expenses		1. Incorporation & first establishment expenses		225.000	71.250	153.750	A. Equity Capital		Capital			
		4. Other establishment expenses		1.955.025.481	619.344.174	1.335.681.307			1. Paid in Capital		12.100.000.000	
		Total B		1.955.250.481	619.415.424	1.335.835.057			IV. Reserve Capital		200.000.000	
C. Fixed Assets		I. Intangible Assets		754.193.353	241.857.898	512.335.455			1. Legal Reserve			
		1. Research and Development Expenses		754.193.353	241.857.898	512.335.455			V. Retained Earnings		2.199.763.352	
		Total CI		754.193.353	241.857.898	512.335.455			1. Profits carried forward			
		II. Tangible Assets		57.464.669.683	15.868.816.506	41.595.853.177			VI. Capital for share capital increase		67.029.758.331	
		3. Buildings and technical works		57.464.669.683	15.868.816.506	41.595.853.177			1a. Equity capital surplus		81.529.581.683	
		4. Machinery and technical equipment		2.402.402.402	11.515.231.081	13.887.556.442			Total Equity Capital (AI + AIV + AV + AVI)		7.984.563.731	
		5. Means of transport		2.402.402.402	1.496.029.918	1.383.225.442			B. Provisions		7.984.563.731	
		6. Furniture and other equipment		2.402.402.402	974.776.498	1.383.225.442			I. Long term liabilities		8.987.600.000	
		7. Fixed assets under construction and advance payments		2.402.402.402	974.776.498	1.383.225.442			1. Bank Debt		8.987.600.000	
		Total Tangible & Intangible Assets (CI+CII)		97.025.081.736	29.553.953.001	67.471.128.735			II. Short term liabilities		Total long term liabilities	
		Total CII		97.025.081.736	29.553.953.001	67.471.128.735			1. Suppliers		1.148.313.475	
		III. Participations and other long term receivables		416.100		416.100			4. Customer advance payments		6.242.119.624	
		6. Securities (fixed)		416.100		416.100			5. Obligations for taxes - duties		3.040.131.091	
		Total Fixed Assets (CI+CII+CIII)		97.777.641.195	30.056.411.599	67.887.544.935			6. Social Security funds		682.414.983	
		Total CIII		97.777.641.195	30.056.411.599	67.887.544.935			7. Long term liabilities payable in the subsequent year		1.016.279.263	
		D. Current Assets		149.227.900		149.227.900			10. Dividends payable		1.300.000.000	
		I. Stocks		149.227.900		149.227.900			11. Sundry creditors		72.950.714	
		3a. Work in progress		149.227.900		149.227.900			Prepayment of remuneration		514.174.792	
		4. Spare parts		149.227.900		149.227.900			Staff remuneration		1.175.058.356	
		II. Accounts Receivables		1.877.809.852	2.027.037.752	1.877.809.852			Other creditors		24.161.042.560	
		1. Customers		1.877.809.852	2.027.037.752	1.877.809.852			Total Liabilities (CI+CII)		385.830.660	
		Customers in forced collection		1.877.809.852	2.027.037.752	1.877.809.852			D. Prepayments & Deferred Expenses		161.256.589	
		10. Doubtful debtors		1.877.809.852	2.027.037.752	1.877.809.852			1. Deferred earnings		224.574.071	
		Greek State tax advances		1.877.809.852	2.027.037.752	1.877.809.852			2. Accrued liabilities		385.830.660	
		Subsidy debtors		1.877.809.852	2.027.037.752	1.877.809.852			Total		114.060.998.634	
		Staff accounts		1.877.809.852	2.027.037.752	1.877.809.852			Total liabilities and equity capital (A+B+C+D)		114.060.998.634	
		Other debt accounts		1.877.809.852	2.027.037.752	1.877.809.852			Memo accounts			
		Other administrators		1.877.809.852	2.027.037.752	1.877.809.852			2. Guarantees and collateral securities		3.377.441.399	
		Other debtors		1.877.809.852	2.027.037.752	1.877.809.852			4. Other memo accounts		87.371.000.000	
		IV. Cash		27.684.797.155	28.255.416.684	51.044.177.277			Pension liabilities transferred to the Greek State		90.748.441.399	
		1. Cashier		27.684.797.155	28.255.416.684	51.044.177.277						
		2. Demand deposits & repos		27.684.797.155	28.255.416.684	51.044.177.277						
		Total Current Assets (DI+DII+DIV)		27.684.797.155	28.255.416.684	51.044.177.277						
		Total Assets(B+C+D)		114.060.998.634	114.060.998.634	114.060.998.634						
		Memo Accounts										
		2. Guarantees and collateral securities			3.377.441.399							
		4. Other memo accounts										
		Pension liabilities transferred to the Greek State			87.371.000.000							

Notes:

"1. Until the time of compilation hereof, the Committee under Article 9 of Law 2190/1920 that is provided to be established under Article 5, par. 3 of the Company's Articles of Incorporation for the inventory and valuation of the assets that transferred to PPA S.A. by Piraeus Port Authority as a Legal Entity of Public Law, was not formed.
2. As a result of the above: (a) the above accounts of Assets and Liabilities incorporate the accounting balances of Piraeus Port Authority as a Legal Entity of Public Law, as of 31.5.1999; (b) fixed assets accounts include accumulated depreciation for the period until 31.5.1999; and (c) depreciation on such assets has been calculated on the basis of the value of assets net of depreciation, while historic cost has been the basis of calculation of depreciation in connection with fixed assets acquired by PPA S.A. during the period 1.5.1999-31.12.2000.

Income Statement (1.6.1999-31.12.2000)

I. Operating Results			50.994.614.270
Turnover			51.467.490.301
Minus: Cost of services provided			9.527.123.969
Gross profit			2.505.032.264
Plus: 1. Other operating income			12.032.756.233
Total			8.223.680.304
Minus: 1. Administration expenses			3.809.076.029
Operating profit			1.398.811.420
Plus: 4. Credit interest and similar income		2.762.598.327	5.117.887.449
Minus: 3. Debt interest and similar expense		1.453.786.907	1.398.811.420
Total Operating profit			5.117.887.449
II Extraordinary Income			
1. Extraordinary and non operating income		176.297.515	176.297.515
2. Extraordinary profits		5.000.000	5.000.000
Total			181.297.515
Minus:			
3. Extraordinary and non operating expenses		3.935.327	3.935.327
4. Extraordinary losses		2.370.058	2.370.058
Total operating & Extraordinary Profit			6.905.382
1. Total Depreciation		5.419.263.444	5.419.263.444
Minus: Depreciation included in operating costs		5.419.263.444	5.419.263.444
Earnings Before Tax			5.292.279.882

Distribution of Profits

Earnings before tax		5.292.279.882
Minus: Income Tax		1.592.516.530
Profits for distribution		3.699.763.352
Profits distributed as follows:		
1. Legal reserve		200.000.000
2. Dividend		1.300.000.000
Balance of earnings carried forward		2.199.763.352
reserves form tax exempt earnings		1.411.073.800
reserve from earnings taxes in special way		190.041.087
reserve from taxed earnings		595.645.465
Total		3.699.763.352

Chairman of the BoD

Kon/nos Maniatiopoulos
ID no. T 538384

Managing Director

Charilaos Psaraffis
ID no. Π 695847

Chief Financial Officer

Dimitrios Artakis
ID no. P 027168

Chief Accountant

Maria Skordilaki
ID no. Ξ 207401

CERTIFIED AUDITORS ACCOUNTANTS' AUDIT CERTIFICATE To the Shareholders of the Soci ty Anonymous «Piraeus Port Authority (P.P.A.S.A.)»

We reviewed the above financial statements and the respective Annex of the Soci ty Anonymous «Piraeus Port Authority (P.P.A.S.A.)» for the year ended 31.12.2000. Based on our audit we concluded the following:
1. The share capital of PPA S.A., which was established by Law 3985/1999 by way of the transformation of the Legal Entity of Public Law titled "Piraeus Port Authority", and the entries of accounts of any nature included in its Balance Sheet, will be finalised following the inventory and the valuation to be effected by the Committee of Article 9 of Law 2190/1920, which should have been completed 2. In our opinion, the outstanding amount of the account "Provisions", i.e. € 23.4 million, does not suffice to cover damages that may be incurred as a result of the non-collection of receivables from claims included in the Balance Sheet, amounting to € 38.6 million, the majority of which is considered as being doubtful, and of non reported liabilities deriving from claims under litigation filed by third parties against the Company, amounting to € 38.1 million approximately.3. The results of the audit of the accounts of the Company for the year ended 31.12.2000, as reported in the Balance Sheet, are not reliable, inasmuch as this could not have been included in the books kept by it in view of the accounting system it employed (Public Accounting System); and (b) have been burdened by the amount of € 18.6 million approximately which pertains to expenses for the repair of damages caused by earthquakes, part of which should have been related to improvements of fixed assets, although the corresponding amount can not be determined. Its definite designation of the value of fixed assets will be concluded by way of the imminent appraisal to be effected by the Committee of Article 9 of Codified Law 2190/1920.4. In view of the fact that analytical accounts were not kept, our audit cannot verify the outstanding balances reported under the "Customers on credit" accounts. On the whole, the process of computerised support required for the improvement of the entire system should be completed immediately.5. The Company, on the basis of opinion no. 205/1988 stated by the Plenary Session of the Public Legal Counsels, did not effect a provision for compensations of personnel terminating their service due to retirement, because none of the employees was to become entitled to retirement within the next year. If the Company had effected a provision for compensations on the assumption that its entire personnel was to retire from service on 31.12.2000, according to Paragraph 14 of Article 42 (e) of Law 2190 /1920, this would have amounted to € 6.2 million approximately.6. No tax-audit has been effected with respect to the Piraeus Port Authority as a Legal Entity of Public Law, of which PPA S.A. is the global successor."

Athens, 31 May 2001
Chartered Auditors-Accountants

Panagiotis Markopoulos
A.M. Σ.Ο.Ε.Α.11311
Σ.Ο.Α.ε.ε.ο.ε.

Panagiotis Dimitrakelos
A.M. Σ.Ο.Ε.Α.10451
Σ.Ο.Α.ε.ε.ο.ε.

ANNEX 9 (Following Pages): 1998 – 2000 Proforma Financial Statements

Admission of PPA SA Shares to the Main Market of the Athens Exchange

PROFORMA BALANCE SHEET AS OF DECEMBER 31, 1998 (JANUARY 1 - DECEMBER 31, 1998)						
Assets			Liabilities			
	At cost	Depreciation	1998 Balance		1998	
C. Fixed Assets				A. Equity Capital		
II. Tangible Assets				I. Share Capital		
1 Land	174 930 000		174 930 000	1 Paid in capital		17 037 500 000
4 Machinery - technical equipment	21 225 950 978	837 669 016	20 388 281 962	IV. Reserve capital		
5 Means of Transport	3 023 765 352	101 577 080	2 922 188 272	1 Legal Reserve		20 881 918 437
6 Furniture and other equipment	451 316 367	49 720 750	401 595 617	3 Special reserve		(11 144 076 436)
7 Fixed assets under construction and advance payments	6 121 803 809		6 121 803 809			9 737 842 001
	<u>30 997 766 506</u>	<u>988 966 846</u>	<u>30 008 799 660</u>	Total Equity Capital (A+AIV+AV)		<u>26 775 342 001</u>
Total Tangible Assets (C II)	<u>30 997 766 506</u>	<u>988 966 846</u>	<u>30 008 799 660</u>	B. Provisions		
Total Fixed Assets (C I+C II)			<u>30 008 799 660</u>	1 Provisions for staff leaving indemnities		1 908 035 000
D. CURRENT ASSETS				2 Other provisions		<u>6 583 617 319</u>
I. Stocks				C. Liabilities		
3 Work in progress	77 194 830			I Long-term Liabilities		
4 Consumables - spare parts	2 795 780 000			2 Long-term Bank Loans		<u>9 963 996 000</u>
5 Advances for material purchases	<u>1 821 221 000</u>	4 694 195 830		II Short-term Liabilities		
Minus: Provisions for obsolete stocks		<u>(700 000 000)</u>	<u>3 994 195 830</u>	1 Suppliers		564 776 423
II. Accounts receivables				4 Customer Advance Payments		1 711 432 577
1 Customers		10 760 910 923		5 Obligations for taxes-duties		1 057 065 609
Minus: Provisions for doubtful customers		<u>(8 099 418 287)</u>	<u>2 661 492 636</u>	6 Social Security Funds		<u>90 008 269</u>
11 Subdry Debtors		2 694 394 349		11 Sundry creditors		<u>302 150 394</u>
Minus: Provisions		<u>(1 137 500 000)</u>	<u>4 218 386 985</u>	Total Liabilities (CI+C II)		<u>13 689 429 272</u>
III. Securities						
3 Other Securities			<u>416 100</u>			
IV. Cash						
1 Cashier			168 608 302			
3 Demand Deposits			<u>10 566 016 715</u>			
Total Current Assets (DI+DII+DIII+DIV)			<u>18 947 623 932</u>			
TOTAL ASSETS (B+C+D)			<u>48 956 423 592</u>	TOTAL LIABILITIES & EQUITY CAPITAL (A+B+C)		<u>48 956 423 592</u>
PIRAEUS PORT AUTHORITY (PPA) Proforma Income Statement DECEMBER 31st, 1998 (JANUARY 1 - DECEMBER 31, 1998)						
Results of operation			1998			
Turnover			36 317 191 271			
Minus: cost of services provided			<u>21 729 554 332</u>			
Gross profit			14 587 636 939			
Plus: Other operating income			<u>1 908 343 693</u>			
Total			16 495 980 632			
Minus : 1. Administration expenses			<u>3 478 745 357</u>			
Operating profit			13 017 235 275			
Plus: 4. Credit interest and similar income		506 706 419				
Minus: 3. Debit interest and similar income		<u>1 424 428 530</u>	<u>(917 722 111)</u>			
Total Operating profit			12 099 513 164			
Minus: 1. Extraordinary and non operating results						
2. Extraordinary losses	15 000 000					
4. Provisions for contingent risks	<u>2 830 336 858</u>	<u>2 845 336 858</u>	<u>2 845 336 858</u>			
Total Operating and extraordinary profit			<u>9 254 176 306</u>			
Minus: Total depreciation of fixed assets		988 946 846				
Minus: depreciation included in 7 operating cost		<u>988 946 846</u>	<u>0</u>			
EARNINGS BEFORE TAX			<u>9 254 176 306</u>			

Admission of PPA SA Shares to the Main Market of the Athens Exchange

PIRAEUS PORT AUTHORITY (PPA) PROFORMA BALANCE SHEET AS OF DECEMBER 31, 1999 (JANUARY 1 - DECEMBER 31, 1999)						
ASSETS			LIABILITIES			
	At Cost	Depreciation	1999 Balance		1999	
B. ESTABLISHMENT EXPENSES				A. EQUITY CAPITAL		
1.	Incorporation & first establishment expenses	225 000	45 000	180 000		
4.	Other establishment expenses	531 962 227	45 732 361	486 229 866		
	Total Establishment Expenses	532 187 227	45 777 361	486 409 866	17.037.500.000	
C. FIXED ASSETS				IV. Reserve Capital		
I.	Intangible Assets					
1.	Research and development expenses	112 649 872	22 529 974	90 119 898		
		112 649 872	22 529 974	90 119 898	20 881 918 437	
II.	Tangible Assets				(12 110 885 157)	
1	Land	174.930.000		174 930 000	8 771 033 280	
4	Machinery - technical equipement	22.644.414.136	964 102 248	21 680 311 888		
5	Means of Transport	2.922.188.272	101 577 080	2 820 611 192		
6	Furniture and other equipment	995.541.454	78 314 013	917 227 441		
7	Fixed assets under construction and advance payments	3.195.601.923		3 195 601 923		
	Total Tangible Assets (C II)	29 932 675 785	1 143 993 341	28 788 682 444		
	Total Fixed Assets (C I+C II)			28 878 802 342	25 808 533 280	
D. CURRENT ASSETS				B. PROVISIONS		
I	Stocks			1 Provisions for staff leaving indemnities	2 014 035 000	
4	Consumables - spare parts		2 027 037 752	2 Other provisions	6 583 617 319	
	Minus: Provisions for obsolete stocks		(700 000 000)		8 597 652 319	
II.	Accounts Receivable			C. LIABILITIES		
1	Customers		1 780 703 330	I	Long-term Liabilities	
10	Customers in forced collection	11 153 388 604		2	Long-term Bank Loans	
	Minus: Provisions for doubtful customers	(9 199 709 123)	1 953 679 481		9 964 000 000	
11	Sundry Debtors			II	Short-term Liabilities	
a.	Greek State tax advances	2 905 055 309		1	Suppliers	
	Minus: Provisions	(1 000 000 000)	1 905 055 309	4	Customer Advance Payments	
b.	Personnel accounts		277 828 547	5	Obligations for taxes-duties	
c.	Other debtors	280 983 022		6	Social Security Funds	
	Minus: Provisions	(200 000 000)	80 983 022	11	Sundry creditors	
12	Advances and credit accounts				staff advances	
					36 266 685	
					b. Personnel wages payable	
					851 650 489	
					c. Other creditors	
					1 633 393 070	
					2 521 310 244	
					Total Liabilities (CI+C II)	
					19 250 025 530	
TOTAL ASSETS (B+C+D)			53 663 782 404	D. PREPAYMENTS & DEFERRED EXPENSES		
				2	Accrued liabilities	
					7 571 275	
				TOTAL LIABILITIES & EQUITY CAPITAL (A+B+C+D)		
				53 663 782 404		
PIRAEUS PORT AUTHORITY (PPA) PROFORMA INCOME STATEMENT DECEMBER 31st, 1999 (JANUARY 1 - DECEMBER 31, 1999)						
			1999			
Results of Operations						
Turnover			36 992 466 775			
Minus: cost of services provided			23 169 656 165			
Gross profit			13 822 810 610			
Plus: Other operating income			2 075 465 981			
Total			15 898 276 591			
Minus : 1. Administration expenses			3 709 295 302			
Operating profit			12 188 981 289			
Plus: 4. Credit interest and similar income			1 137 925 120			
Minus: 3. Debit interest and similar income			1 029 423 296			
Total Operating profit			12 297 483 113			
PLUS: Extraordinary results						
1. Extraordinary & non-operating income			156 862 162			
Minus: 1. Extraordinary & non-operating expenses			89 734 289			
2. Extraordinary losses			1 638 872 758			
4. Provisions for contingent risks			1 261 384 028			
			2 989 991 075	(2 833 128 913)		
Total Operating and extraordinary profit				9 464 354 200		
Minus: Total depreciation of fixed assets			1 212 300 676			
Minus: depreciation included in operating cost			1 212 300 676			
EARNINGS BEFORE TAX				9 464 354 200		

Admission of PPA SA Shares to the Main Market of the Athens Exchange

PROFORMA BALANCE SHEET AS OF DECEMBER 31, 2000 (JANUARY 1 - DECEMBER 31, 2000)					
Assets				Liabilities	Ποσά κλεισμένης χρήσεως 2000
	At cost	Depreciation	2000 Balance		
B. ESTABLISHMENT EXPENSES				A. Equity Capital	
1 Incorporation & first establishment expenses	225 000	90 000	135 000	I. Share Capital	
4 Other establishment expenses	1 955 032 481	521 370 576	1 433 661 905	1 Paid in capital	17 037 500 000
Total Establishment Expenses	1 955 257 481	521 460 576	1 433 796 905	IV. Reserve capital	
				1 Legal Reserve	200 000 000
				3 Special reserve	20 881 918 437
				Other reserves	2 199 766 352
				Extraordinary reserve	(4 828 207 698)
					18 453 477 091
C. FIXED ASSETS				V. Retained earnings	
I. Intangible Assets				Profits carried forward	3 560 918 784
1. Research and development expenses	145 023 162	51 534 607	93 488 555	Total Equity Capital (A+AIV+AV)	39 051 895 875
II. Tangible Assets				B. Provisions	
1 Land	174 930 000	0	174 930 000	1 Provisions for staff leaving indemnities	2 120 035 000
4 Machinery - technical equipment	24 411 943 361	1 177 952 627	23 233 990 734	2 Other provisions	6 583 617 319
5 Means of Transport	2 873 672 736	107 156 338	2 766 516 378		8 703 652 319
6 Furniture and other equipment	1 134 223 480	241 632 867	892 590 613	C. Liabilities	
7 Fixed assets under construction and advance payments	2 921 969 092	0	2 921 969 092	I Long-term Liabilities	
	31 516 738 669	1 526 741 852	29 989 996 817	2 Long-term Bank Loans	8 967 600 000
Total Tangible Assets (CII)	31 661 761 831	1 578 276 459	30 083 485 372	II Short-term Liabilities	
				1 Suppliers	1 148 313 475
Total Fixed Assets (C I+C II)			30 083 485 372	4 Customer Advance Payments	3 696 034 237
				5 Obligations for taxes-duties	3 040 131 091
D. CURRENT ASSETS				6 Social Security Funds	682 414 983
I. Stocks				7 Long term liabilities due to subsequent year	1 018 279 283
3 Works in progress	46 012 600			10 Dividends	1 300 000 000
4 Consumables - spare parts	1 877 809 852	1 923 822 452	1 223 822 452	11 Sundry creditors	
Minus: Provisions for obsolete stocks		(700 000 000)		staff advances	72 950 714
				b. Personnel wages payable	633 442 235
II. Accounts receivables				c. Other creditors	1 978 132 958
1 Customers		3 240 219 611		Total Liabilities (C1+C II)	21 830 906 027
10 Customers in forced collection	12 650 683 039		5 590 902 650		
Minus: Provisions for doubtful customers	(10 300 000 000)	2 350 683 039		D. PREPAYMENTS & DEFERRED EXPENSES	
11 Subdry Debtors				1 Deferred Income	161 256 589
a. Greek State tax advances	3 591 646 920	2 527 561 396		2 Accrued expenses	224 574 071
Minus: Provisions	(1 064 085 524)	518 794 847			386 830 660
b. Personnel Accounts		2 139 437			
c. Other debit accounts		500 000			
d. Other administrators					
e. Other debtors	416 769 220		3 265 764 900		
Minus: Provisions	(200 000 000)	216 769 220			
			8 856 667 550		
III. Securities					
3 Other Securities			416 100		
IV. Cash					
1 Cashier			570 619 529		
3 Demand Deposits			27 803 476 973		
Total Current Assets (DI +DII+DIII+DIV)			28 574 096 502		
			38 455 002 604		
TOTAL ASSETS (B+C+D)			69 972 284 881	TOTAL LIABILITIES & EQUITY CAPITAL (A+B+C+D)	69 972 284 881
PIRAEUS PORT AUTHORITY (PPA)					
Proforma Income Statement					
DECEMBER 31st, 2000 (JANUARY 1 - DECEMBER 31, 2000)					
			2000		
Results of operation					
Turnover			41 144 367 874		
Minus: cost of services provided			28 059 193 944		
Gross profit			13 085 173 930		
Plus: Other operating income			2 149 529 067		
Total			15 234 702 997		
Minus: 1. Administration expenses			4 492 075 133		
Operating profit			10 742 627 864		
Plus: 4. Credit interest and similar income		1 646 671 414			
Minus: 3. Debit interest and similar income		907 056 985			
Total Operating profit			739 614 429		
			11 482 242 293		
PLUS: Extraordinary results					
2. Extraordinary profits		95 867 406			
Minus: 2. Extraordinary losses	5 324 383 508				
4. Provisions for contingent risks	1 100 290 877	6 424 674 385			
Total Operating and extraordinary profit			(6 328 806 979)		
			5 153 435 314		
Minus: Total depreciation of fixed assets		2 031 429 700			
Minus: depreciation included in		2 031 429 700			
2 operating cost			0		
EARNINGS BEFORE TAX			5 153 435 314		
Income Tax			1 592 516 530		
Earning after tax			3 560 918 784		

Admission of PPA SA Shares to the Main Market of the Athens Exchange

Piraeus Port Authority (PPA) PROFORMA BALANCE SHEET AS OF DECEMBER 31, 2000 (JUNE 1, 1999 - DECEMBER 31, 2000)				
Assets				Liabilities
	At cost	Depreciation	2000 Balance	
B. ESTABLISHMENT EXPENSES				A. Equity Capital
1 Incorporation & first establishment expenses	225 000	90 000	135 000	I. Share Capital
4 Other establishment expenses	1 955 032 481	521 370 576	1 433 661 905	1 Paid in capital
Total Establishment Expenses	1 955 257 481	521 460 576	1 433 796 905	
C. FIXED ASSETS				IV. Reserve capital
I. Intangible Assets				1 Legal Reserve
1. Research and development expenses	145 023 162	51 534 607	93 488 555	3 Special reserve
				Other reserves
II. Tangible Assets				Extraordinary reserve
1 Land	174 930 000	0	174 930 000	
4 Machinery - technical equipment	25 027 017 552	1 793 026 818	23 233 990 734	V. Retained earnings
5 Means of Transport	2 932 926 033	166 409 655	2 766 516 378	Profits carried forward
6 Furniture and other equipment	1 191 820 513	299 229 900	892 590 613	Total Equity Capital (A+AIIV+AV)
7 Fixed assets under construction and advance payments	3 921 969 092	0	3 921 969 092	
	32 248 663 190	2 258 666 373	29 989 996 817	B. Provisions
Total Tangible Assets (CII)	32 393 686 352	2 310 200 980	30 083 485 372	1 Provisions for staff leaving indemnities
				2 Other provisions
Total Fixed Assets (C I+C II)			30 083 485 372	
A. KYKΛOΦOPOYH ENEPHTHKO				C. Liabilities
I. Stocks				I. Long-term Liabilities
3 Works in progress	46 012 600			2 Long-term Bank Loans
4 Consumables - spare parts	1 877 809 852	1 923 822 452	1 223 822 452	
Minus: Provisions for obsolete stocks		(700 000 000)		II. Short-term Liabilities
				1 Suppliers
II. Accounts receivables				4 Customer Advance Payments
1 Customers		3 240 219 611		5 Obligations for taxes-duties
10 Customers in forced collection	12 650 683 039			6 Social Security Funds
Minus: Provisions for doubtful customers	(10 300 000 000)	2 350 683 039	5 590 902 650	7 Long term liabilities due to subsequent year
				10 Dividends
11 Subdry Debtors	3 591 646 920			11 Sundry creditors
a. Greek State tax advances				staff advances
Minus: Provisions	(1 064 085 524)	2 527 561 396		b. Personnel wages payable
b. Personnel Accounts		518 794 847		c. Other creditors
c. Other debit accounts		2 139 437		
d. Other administrators		500 000		Total Liabilities (C I+C II)
e. Other debtors	416 769 220			
Minus: Provisions	(200 000 000)	216 769 220	3 265 764 900	
			8 856 667 550	D. PREPAYMENTS & DEFERRED EXPENSES
III. Securities				1 Deferred Income
3 Other Securities			416 100	2 Accrued expenses
IV. Cash				
1 Cashier			570 619 529	
3 Demand Deposits			27 803 476 923	
			28 374 096 502	
Total Current Assets			38 455 002 604	
(DI - DII - DIII - DIV)				
TOTAL ASSETS (B+C+D)			69 972 284 881	TOTAL LIABILITIES & EQUITY CAPITAL (A+B+C+D)
				69 972 284 881
PIRAEUS PORT AUTHORITY (PPA) Proforma Income Statement DECEMBER 31st, 2000 (JUNE 1, 1999 - DECEMBER 31, 2000)				
			2000	
Results of operation			62 987 200 441	
Turnover			41 118 018 170	
Minus: cost of services provided			21 869 182 271	
Gross profit			2 505 632 264	
Plus: Other operating income			24 374 814 535	
Total			6 582 698 964	
Minus: 1. Administration expenses			17 792 115 571	
Operating profit			898 809 627	
Plus: 4. Credit interest and similar income		2 352 596 534	18 690 925 198	
Minus: 3. Debit interest and similar income		1 453 786 907		
Total Operating profit				
PLUS: Extraordinary results				
2. Extraordinary profits		181 297 815		
Minus: 2. Extraordinary losses	6 970 161 648			
4. Provisions for contingent risks	1 742 127 198	8 712 288 846	(8 530 991 031)	
Total Operating and extraordinary profit			10 159 934 167	
Minus: Total depreciation of fixed assets		2 831 661 556		
Minus: depreciation included in operating cost		2 831 661 556	0	
EARNINGS BEFORE TAX			10 159 934 167	
Income Tax			1 592 516 530	
Earning after tax			8 567 417 637	

ANNEX 10:

CONCESSION AGREEMENT

This agreement is entered into in Athens, on Monday, 13th of February of the year 2002, by and between:

- the GREEK STATE, as represented by the Ministers of Finance and Merchant Marine, by virtue of Article 35 of Law 2932/2001, hereinafter the “State”; and
- the corporation under the trade name “Piraeus Port Authority Société Anonyme”, with registered offices in Piraeus (within the Port of Piraeus), as lawfully represented by its Chairman, Mr. Constantinos Maniatopoulos and its Managing Director, Mr. Harilaos Psaraftis, by virtue of Resolution number 12 of its Board of Directors, hereinafter “PPA S.A.” or “PPA”.

1. SCOPE OF THE AGREEMENT – LEGAL BASIS

1.1 This Agreement governs the concession by the State to PPA of the exclusive right of use and exploitation of the land, buildings and infrastructure of the port land zone of the Port of Piraeus, as defined in Article 2 hereof and sets forth the specific terms applicable to such concession and the respective obligations of the parties.

1.2 This Concession Agreement (the “Agreement”) is entered into in furtherance of the thirty-fifth Article of Law 2932/2001 (Government Gazette 145A’/27.07.2001), which enables the State to effect the said concession, in conjunction with standing provisions applicable to the port land zone as public property in common use, including most notably the provisions of Compulsory Law (C.L.) 2344/1940, as in force, the acts applicable to the designation of areas comprising the Port Land Zone of the Port of Piraeus, Legislative Decrees 444/1970 and 377/1974, Article 14, par. 2 of Law 2881/2001, as well as existing provisions specific to PPA (mainly Law 2688/1999, as in force).

1.3 Reference is made to the fact that entry into this Concession Agreement was approved in advance, on August 8, 2001, by a General Meeting of shareholders of PPA S.A., in accordance with Article 23 (a) of Codified Law 2190/1920, as in force.

2. CONCESSION – DESCRIPTION OF CONCESSION ASSETS

2.1 The State hereby grants to PPA and PPA accepts the concession of the exclusive right of use and exploitation of the land, buildings and infrastructure of the port land zone of the Port of Piraeus, for the contractual term and on the basis of the terms more specifically set forth herein.

2.2 For the purposes of this Agreement, the right of use and exploitation hereby granted, as defined in Article 3 (hereinafter the “Right”) shall extend to the following concession assets, subject to Article 2.4:

- (i) to the sheltered and outdoors areas (land) within the port land zone of the Port of Piraeus, as designated to-date, subject to concessions of parts of the Port Land Zone of the Port of Piraeus to the Hellenic Tourism Organization, the validity of which has been upheld, to rights of third parties on port works, in accordance with standing legislation and to the special provisions of Article 7 hereof on works related to the hosting by Greece of the 2004 summer Olympic Games (hereinafter the “Port Land Zone”). The boundaries of the Port

Land Zone, as derived in accordance with the above, are depicted and identified as a shaded area in a topographical diagram dated _____ of PPA's Technical Directorate, which is signed by the parties, attached hereto as Appendix A and constitutes an integral and material part hereof;

(ii) to the buildings, technical works, port works, slit works, enhancements, internal and access roads, the internal railway network, the utilities networks above and below the ground, the fixtures and appendices in general of the Port Land Zone now existing, construed as the aggregate of infrastructure lying above or below the footprint of the Port Land Zone, as the same are listed and enumerated in Appendix B' hereof, which is signed by the parties, attached hereto and constitutes an integral and material part hereof (hereinafter the "Buildings and Infrastructure");

(iii) to the extensions of areas and works, as provided by Article 2.6 hereof;

(iv) to the sea zone of the Port, as determined on the basis of and subject to the provisions of C.L. 2344/1940 and Law 1559/1950, as amended and in force.

2.3 The State undertakes to cause, within a period of two years as of the date of execution of this Agreement, the issuance of requisite normative acts for the consolidation of existing normative acts and/or the regularization of the limits of the Port Land Zone, with boundaries exactly matching the boundaries depicted in Appendix A'.

2.4 By way of exception, the Right granted by this Agreement shall not apply to the following:

(i) the buildings and installations supporting the needs of public services, undertakings and organizations, as each time specifically provided for by law, notably Article 21 of C.L. 2344/1940, as in force. Within three months as of the date of execution hereof, a committee to be composed at PPA's responsibility shall identify on special topographical diagrams all areas and installations used by public services, undertakings and organizations. In addition to the above, the following areas of the port land zone shall be excluded from the concession:

(a) on the Vassileiadis Coast, a four-story warehouse on an aggregate area of approximately 21,708 square meters, intended for the establishment and operation of services of the Ministry of Merchant Marine (MMM);

(b) an aggregate area of land of 2,600 square meters at the Fishers' port (PPC area);

(c) at the Ampelakia area of the island of Salamina, the entire area of land between the Panayiotakis (to the north) and Bekris (to the south) shipyards, with the seafront in front of it;

(d) the port land zone of the Tomb of the Salamina Battle Warriors, spanning 19,000 square meters; and

(e) any areas determined by PPA to be committed for the participation in commercial and social activities within the zone of the Municipalities of Drapetsona and Keratsini, together with bodies of regional management, private undertakings and the State.

For the avoidance of doubt, the existence of needs of the State and the specific terms applicable to the exercise of the respective rights shall be determined by the parties, acting reasonably, on the basis of the provisions of law, this Article and Article 3.3 hereof.

(ii) the parts of the land and sea areas of the port that are required from time to time for reasons of manifest needs of national security and public order, for the stationing or deployment of units of the armed forces, the harbouring and berthing of vessels of the Port Police and the Greek Navy, upon notice to PPA S.A., provided that PPA S.A. shall be entitled to express its opinion as to the most appropriate and safest berthing position;

(iii) the sections of the Port Land Zone to which the reservations in item (i) of Article 2.2 above relates (as well as their extensions, if any), provided however that, upon the lapse of the applicable term of exclusion or the occurrence of any event which results in any of the conditions required for such exclusion not being met any more, the Right shall be automatically deemed to extend to such excluded sections (as well as their extensions, if any).

2.5 This concession and the exclusive Right granted shall automatically expand in accordance with the terms of Article 3.

2.5.1 For purposes of this Agreement, an extension of the concession shall be construed as an extension relating:

(i) to any extensions of the Port Land Zone, as may be effected from time to time on the basis of the normative acts of state administration prescribed by law and to any buildings and infrastructure upon such extensions, construed within the meaning of item (ii) of Article 2.1, which shall apply *mutatis mutandis* to the full extent;

(ii) to the lawful slit and landfill works each time effected, that constitute an extension of the Port Land Zone to the direction of the sea, as well as to all works and infrastructure thereupon, construed within the meaning of item (ii) of Article 2.1, which shall apply *mutatis mutandis* to the full extent. It is expressly agreed that PPA S.A. shall be entitled to the use and exploitation of pier III, to be constructed at Neo Ikonion, as well as of the new car terminal under construction at the Charcoal Wharf area, on the same terms applicable to existing infrastructure;

(iii) to new building works, port, road and railway works within the Port Land Zone and the additions and enhancements thereto of any nature, which arise in accordance with the terms hereof; and

(iv) the parts of the Port Land Zone referenced in item (i) of Article 2.2, subject to the conditions of Article 2.5 (iii).

2.5.2 Subject to Articles 3 and 5, the above extension of the concession shall occur automatically and without any adjustment of the concession fee being required for that purpose, provided that the following conditions shall be met, cumulatively:

(i) all lawful procedures and formalities shall have been adhered to and all permits and licenses each time required shall have been obtained in connection with the respective works; and

(ii) all relevant works shall have been included in the approved planning of works provided for in Article 7 hereof or shall constitute maintenance or repair works for which PPA is responsible in accordance with the terms hereof.

In those cases where an additional consideration is required on the basis of the terms hereof, such additional consideration shall be determined in accordance with the terms of this Agreement, most notably Article 5, in accordance with the distinctions therein made.

2.6 PPA as represented hereby declares that the concession assets described in Article 2.2, items (i) and (ii), namely the Port Land Zone and the Buildings and Infrastructure, are already in its possession and are currently under use and exploitation by PPA. In addition, PPA declares that it has taken delivery of possession and has accepted the concession assets and confirms their absolute appropriateness for the purposes of this Agreement.

3. RIGHT OF USE AND EXPLOITATION

3.1 The right of use and exploitation of the concession assets referred to in Article 2.1 hereof (the “Right”) consists in the ability of PPA, throughout the continuance of this Agreement, to possess, use and exploit the Port Land Zone, the Buildings and Infrastructure and their extensions under Article 2.6, for the purposes defined in Article 3.3 and subject to the terms and limitations arising hereunder. The Right shall specifically include the following aspects:

(i) the notion of “use” shall be construed as the physical possession and domination of the concession assets and the exclusion of other parties from such use, subject to the obligation to ensure access to users of the port and to means of navigation, as well as to the rights of access of the State, in accordance with the provisions of law, in such manner as to not obstruct the activities of the port and the achievement of PPA’s objects, as defined in its constitutional documents;

(ii) use shall be construed to include further the ability to utilize the concession assets as the basis for PPA’s activities and the furtherance of PPA’s business and operations requirements, within the limits of its corporate objects and the provisions of the law;

(iii) the notion of exploitation shall include the ability to utilize the concession assets for the provision of port services and amenities to users of the port and for the concession of temporary rights of use of various areas, in each case against consideration, as well as the ability of PPA or third parties to effect capital investments in buildings and infrastructure of any nature, for the support of new activities or the expansion of existing activities, subject to Article 3.2 and to provisions of law.

3.2 The Right is primarily granted for the furtherance of the mission of the Port of Piraeus and PPA undertakes to exercise the Right in a manner directly relevant to port activities, for the support of activities and business initiatives directly serving the provision of port services and amenities.

The exercise of the Right shall only be possible upon specific agreement between the State and PPA and following an adjustment of the concession fee in accordance with the provisions of Article 5 hereof, in the event the respective buildings and infrastructure, whether now existing or existing at any future time, are intended for use of actually used primarily for purposes not directly related to the provision of port services and amenities, e.g. for purposes of industrial or commercial exploitation or for cultural or tourism activities (hereinafter the “Other Purposes”).

3.3 The following criteria, listed in order of precedence, shall be taken into consideration in the exercise by PPA of the Right of use and exploitation of the concession assets:

(i) the interests of protection of national security and public order, as each time fully reasoned;

(ii) the National Port Policy, as determined by the state body each time being competent, currently in accordance with the provisions of Law 2932/2001;

(iii) the protection of security of navigation, users of the port and the health and safety of PPA's workforce;

(iv) the protection of the environment;

(v) the assurance of provision within the Port of Piraeus of the full range of port services and amenities expected of a modern port with international activity and a comparable strategic location, on the express agreement that the abolition of any port services or amenities currently available shall only be possible following the express consent of the State;

(vi) the growth of national and local economy and the support of local and international trade; and

(vii) the assurance of financial viability and profitable operation of PPA.

3.4 The notion of use and exploitation shall include the abolition of existing infrastructure and the demolition of buildings, provided that any such action must have been identified in the Investment Plan each time approved by the State in accordance with Article 7 hereof.

3.5 Exercise of the Right shall be subject to the limitations of Article 9 (Obligations of PPA S.A.), which are agreed to form a material aspect of the Right. PPA S.A. shall not be entitled to invoke the Right against the State in the course of exercise by the State of sovereign powers for the protection of national security or the public interest, or in the course of exercise by the State of its rights of intervention in cases of emergency, as specified in the applicable law and this Agreement. Similarly, PPA S.A. shall not be entitled to exercise the Right in any manner infringing upon the rights of access of users to the Port of Piraeus, unless and to the extent that such exercise is provided by law or is necessary for security reasons or for the protection of the public interest or the reasonable and justified interests of PPA S.A., in each case with due regard to Articles 3.3 and 9.

3.6 The Right granted to PPA for the continuance of this Agreement shall be exclusive.

3.7 The grant of the Right on an exclusive basis shall be with due regard to the potential future liberalization of provision of port services. Contracting parties agree and accept that in such case PPA S.A. shall be obligated, to the extent each time provided by law, to effect further concessions of the use and exploitation of land, buildings and infrastructure to undertakings engaging in the provision of port services, provided that such undertakings shall have obtained the requisite licenses. PPA S.A. is obligated to comply with the laws and regulations to apply in connection with the implementation of an environment for the liberalized provision of port services. However, to the extent not in conflict with express provisions of law of EU origin, the State undertakes to ensure that in such cases PPA S.A. shall act as the body effecting concessions of use and exploitation of the requisite land, buildings and infrastructure to licensed undertakings engaging in the provision of port services and that PPA S.A. shall determine and collect the consideration for such concessions, in accordance with the provisions of law to apply from time to time.

4. TERM

4.1 This Agreement is entered into for a definite term and an initial period of validity of forty (40) years, commencing on the date of its execution and expiring on the corresponding date of the year 2042.

4.2 The initial term of this Agreement may be extended, once or repeatedly, in each case within the maximum time limits of the law, by way of a new agreement of the parties in writing, which shall amend Article 4.1. In the event of an extension of this Agreement, its terms, including those applicable to the payment of a concession fee, may be revisited and renegotiated. Contracting parties shall discuss any potential extension agreement at least five (5) years before the lapse of the initial or any extended term hereof.

4.3 This Agreement may be terminated and dissolved prior to the lapse of its agreed term, for serious cause, in accordance with the provisions of Article 13 hereof.

Termination or lapse of the term hereof, unless extended, shall automatically give rise to an obligation of PPA to hand back to the State the possession, use and exploitation of the assets on concession at that time, subject to Article 8.3. By way of exception, termination hereof before the lapse of the term of this Agreement shall not result in an obligation to surrender to the State any of the concession assets that may have previously been granted on concession to third parties by PPA, provided that PPA shall have secured in connection with such concessions, a right of immediate subrogation of the State, without payment of any consideration, in the full rights of PPA arising from such concessions; PPA shall ensure that respective terms are included in all relevant concessions. In each case, the term of any such concessions to third parties may not exceed the agreed term hereof.

4.4 Upon termination or lapse of the term hereof, PPA shall be obligated to surrender the concession assets to the State in the condition specified in Article 6.4.

4.5 The timetable and the procedure applicable to the hand back of concession assets upon the termination or expiry hereof shall be determined by parties in good faith, in a manner addressing the priorities of Article 3.3 hereof. In the event of a dispute between the parties as to such determination, the timetable and the procedure applicable to the hand back shall be determined by the competent courts, also with due regard to the criteria and priorities of Article 3.3.

4.6 Notwithstanding termination or expiry hereof, the terms of this Agreement shall survive and shall continue to bind PPA and the State for the entire period between the time of termination or expiry and:

(i) the issuance of a final court decision on any disputes or challenges as to the validity of termination hereof by the State, provided that such disputes or challenges have been brought for resolution in good faith and by appropriate proceedings; or

(ii) the designation by the State of a successor legal entity to substitute PPA in its rights of use and exploitation of the concession assets within the Port of Piraeus; or

(iii) the completion of renegotiation and the conclusion of a new agreement in connection with a new concession to PPA.

The State's rights of intervention shall continue to exist throughout the above period(s) and may be exercised upon the respective conditions being met.

5. CONCESSION FEE

5.1 The State grants the concession of the Right for the term of Article 4.1, against a consideration payable by PPA. The consideration for the said concession is specified in the following paragraph 5.2, taking into consideration the fact that PPA S.A. and its predecessors have contributed significantly to-date to the development of the concession assets in their current form and have assumed as a rule the funding of existing works of every nature (port and other works) described in Appendix B' hereof. As a result, the factor of past investments has been taken into consideration in the calculation of the concession fee, which is agreed and acknowledged by parties as being fair and reasonable.

5.2 In connection with each of the first three (3) years of the term of this Agreement, which (for purposes of calculation of the concession fee) shall coincide with company years of PPA S.A., it is agreed that the concession fee shall equal one percent (1%) of the aggregate consolidated income of PPA S.A. for the relevant year, excluding extraordinary income, past years' income and income from treasury management. It is agreed that the said rate shall be automatically adjusted to two percent (2%) following the lapse of the third year and shall apply to the same basis of calculation. Consolidated income of PPA shall include the income of undertakings of whatever legal form in which PPA maintains an interest, weighted on the basis of the percentage of PPA's holding therein, irrespective of whether PPA is obligated to or may indeed consolidate such income for accounting purposes.

5.3 The concession fee of Article 5.2 shall be subject to adjustment and increase during the initial term specified in Article 4.1, in the following cases:

(i) in the case of extensions of the concession assets, which are intended for use or actually used for Other Purposes, by PPA or third parties; the State must provide its consent in relation to such uses, in accordance with Article 3.2 of this Agreement. The additional consideration shall be agreed by the parties on a case by case basis.

(ii) in the case of use and/or exploitation of existing buildings and infrastructure, actually and predominantly for Other Purposes, by PPA or third parties; the State must provide its consent in relation to such uses. The additional consideration shall be agreed by the parties on a case by case basis.

(iii) in the event of renegotiation of this Agreement, in accordance with Article 15 hereof.

Any adjustment of the concession fee shall be agreed and documented in an Addendum to be executed on any instance of submission and approval of the Investment Plan of Article 7 hereof. Each Addendum shall be signed by the representatives of the parties, shall be ancillary to this Agreement, shall have a term equal to the term hereof and shall be governed by the entirety of the terms hereof, unless otherwise specifically agreed. Any Addendum shall clearly specify, at a minimum, the areas of land, the works, buildings and infrastructure to which it relates, as the case may be, the respective approved uses and the additional fee corresponding to the concession.

The parties agree that no additional consideration shall be payable in the case of works for the maintenance or repair of existing infrastructure exclusively supporting the port's operation.

5.4 The concession fee shall be settled and paid in a single, lump sum payment, during the first fifteen days of the month of July of each year into an account of the State kept with the Bank of Greece, as calculated on the basis of the consolidated financial data of PPA's operation for the each time most recent full company year. The above shall equally apply in

connection with any additional consideration that may be agreed in accordance with Article 5.3, subject to any separate arrangements of the parties in connection with the time of settlement and payment of such additional consideration.

5.5 Payment of the concession fee shall be accompanied by a written calculation thereof, to be provided at PPA's responsibility, on the basis of accounting data of PPA and any entities affiliated with PPA, any relevant Addenda, as well as any additional documents that may be required for the purpose of establishing the basis of calculation of any additional consideration payable to the State in connection with such Addenda. PPA's written calculations shall identify separately the categories of the consideration calculated and shall be in reasonable detail, such as to enable and facilitate the verification of calculations in accordance with Article 5.6.

5.6 In the event of any dispute between the parties as to the accuracy of calculations of the quantum of the concession fee, i.e., any deviation between the calculations of PPA and calculations based on the findings of an audit by the State in accordance with Article 10 hereof, which have not been approved by PPA, the State and PPA shall select a mutually acceptable independent auditor or auditing firm and shall jointly assign to such person the performance of an audit for the purpose of identification and quantification of any discrepancy. The findings of the independent auditor shall be binding on the parties. The fees of the independent auditor shall be borne by PPA, in the event the findings of the audit confirm that PPA's calculations were incorrect. In the event the findings of the audit uphold PPA's calculations, the cost of the audit shall be borne by the State.

5.7 Any delay in payment in accordance with Article 5.4 hereof shall obligate PPA to pay interest at the lawful interest rate.

5.8 In no event shall the obligation to pay the concession fee extend retroactively to any period preceding the time of execution of this Agreement.

6. TEAR/DAMAGE/MAINTENANCE OF CONCESSION ASSETS

6.1 PPA shall be responsible for and shall bear the cost of current maintenance of the concession assets and any additional works or infrastructure, such as to ensure the continued ability to support port users, the safety of port users and employees of the maritime community and the uninterrupted operation of the port in general.

The minimum specifications for regular preventive maintenance and the frequency of maintenance operations per category are set forth in Appendix C' hereof, which is signed by the parties, attached hereto and constitutes an integral part hereof.

6.2 PPA shall be liable for the remedy and repair of extraordinary wear or damages to concession assets for reasons attributable to misuse or poor preventive maintenance of buildings and infrastructure. The time for remedy or repair shall be the time each time reasonable under the circumstances, provided that PPA shall initiate promptly genuine efforts for such remedy or repair.

6.3 In the event of tear, destruction of or damage to the concession assets attributable to unforeseen natural causes, willful or terrorist acts or actions, or hostilities, PPA and the State shall jointly assume the initiative and shall agree in good faith on the allocation of the cost of repair, such as to address the priorities of Article 3.3. In the course of such allocation of cost, parties shall take into consideration the special use of the infrastructure affected and whether such infrastructure primarily supports the activities of PPA or the public interest and the overall operation and safety of the Port of Piraeus, for which the State is responsible, to the extent relevant to the State.

6.4 Upon the termination or expiry hereof and subject to Articles 3.2, 3.7, 4.4 and 4.6, PPA shall be obligated to hand back and surrender the concession assets, buildings and infrastructure of any nature on concession up until such time, in good condition, capable of continued exploitation for the respective purposes, taking into consideration:

- (i) the obligations and specifications of Appendix C', applicable to periodic preventive maintenance;
- (ii) reasonable wear and tear arising from customary use;
- (iii) natural wear do to non use (for buildings only);
- (iv) any wear, damage or destruction to which Article 6.3 relates;
- (v) any dismantling or demolition of infrastructure or buildings approved by the State; and
- (vi) the condition in which PPA took delivery of the areas of the Port Land Zone described in Article 2.4 (iii), in accordance with its terms.

6.5 Upon the termination or expiry hereof, a protocol shall be signed at the time of handback, following an investigation. The findings listed in such protocol shall be compared to Appendix B', as the same may have been amended by such time, taking into consideration the criteria of Article 6.4.

7. PERFORMANCE OF WORKS

7.1 Parties acknowledge that, throughout the term of this Agreement, the development of the Port of Piraeus and the fulfilment of its mission and of the priorities of Article 3.3 require the performance of works on the Port Land and Sea Zone. This Article shall govern, in the form of a framework, certain matters related to works which are required or expedient to be constructed during the continuance hereof.

In each case, works shall be distinguished between ordinary works and works of national level, in accordance with the second Article, par. 3 of Law 2688/1999 and any amendments thereto.

7.2 As a rule, PPA S.A. shall have the initiative for the design and planning of works. By way of exception, the State may take initiatives in connection with works of national level or those related to the National Port Policy. PPA may not invoke the Right in challenge of works of national level, unless justified on the basis of the priorities of this Agreement, as identified in Article 3.3.

In the course of performance of works, PPA shall be the awarding authority, with the exception of works of national level and those related to the National Port Policy, which shall be funded by the State. In the latter cases, the State shall assign to PPA all procedures for the compilation of designs, tendering and performance of works (responsibilities of supervising and directing authority), in accordance with applicable law on public design and works contracts; in these cases, the State shall retain the competence of awarding authority and shall bear the respective cost.

7.3 In the course of performance of works in general, PPA shall obtain, secure and maintain the permits and licenses each time required (including compliance with the formalities of this Article 7 and approvals under the second Article of Law 2688/1999) and shall take all measures required for the protection of safety of users of the Port of Piraeus. PPA shall adhere to the provisions of law, especially those governing the award process (and publicity) of works, the safety of users and employees and the posting of safety notices at the various sites of works and access roads thereto. Until the approval of PPA's works regulation, in accordance with the law, performance of works shall be governed by the rules applicable to public contracts for works.

7.4 The execution of works shall be included in an Investment Plan of PPA, which shall be compiled by PPA at a five-year frequency and shall be analysed in detail on an annual basis in Annual Programs of Works (APWs). Upon the approval of the Investment Plan, the State shall undertake the commitment and obligation to pay such part of State funding as may be provided for in the relevant Investment Plan. In the case of self-financed works, PPA shall assume the respective obligation.

7.5 The State shall contribute towards the funding of works of national level, for the fulfillment of the mission of Port of Piraeus in accordance with Article 3.3. The State may in its discretion, participate further in the funding of other works within the Port of Piraeus, where such works are necessary for reasons related to the public interest or contribute to the enhancement or upgrade of overall infrastructure or the provision of port services.

7.6 In each case where the State has accepted to provide financial, capital or credit contribution or support, the State shall ensure that any appropriate filings are made and all appropriate approvals are obtained in accordance with EU legislation on State Aid.

The State shall comply with any special terms that may be specified by the European Commission in relation to the provision of any assistance, support or contributions deemed as constituting State Aid.

7.7 The validity of this Agreement and the Right shall extend to new works, in accordance with the provisions of Article 2 hereof. In the case of works funded or jointly funded by the State, the adjustment of the concession fee shall be agreed in accordance with the provisions of Article 5 upon the completion of such works and shall be in reasonable proportion to the financial contribution of the State, subject to Article 7.6. In the case of works financed by third parties or jointly financed by PPA, PPA shall be entitled to act freely, subject to Articles 3.2, 5.3 and 7.3, as well as to any limitations arising from the applicable law. The exploitation of self-financed works may not be awarded to third parties for any period exceeding the term of validity of this Agreement.

7.8 The obligations of PPA set forth in Article 6 hereof in connection with the maintenance and repair of infrastructure shall automatically extend to any new works created during the term of this Agreement.

7.9 Article 7.4 shall not apply in relation to works already in progress at the time of execution of this Agreement.

7.10 The framework applicable to the performance of Olympic Works at the Port of Piraeus shall be agreed between the parties in accordance with the respective agreements.

8. ENHANCEMENTS

8.1 Title on all Works and additions, extensions and enhancements of the Port Land Zone, the Buildings and Infrastructure shall automatically pass to the State. The status of ownership of annexes that may be removed and additions to movable equipment shall be assessed on the basis of the provisions of the Civil Code. However, in the event of termination hereof prior to its expiry, PPA shall not be entitled to remove any annexes or additions that are capable of being removed, to the extent the same have been provided on concession to third parties and the State has been subrogated to the respective rights in accordance with Article 4.4.

8.2 New Works for which the procedure of Article 7 is followed and all additions, reconstructions and repairs of any nature to buildings, other infrastructure and networks, effected by PPA throughout the continuance of this Agreement, shall be considered as New Investments, to the extent funded by PPA or through loans repaid by PPA. PPA shall be entitled to indemnification by the State equal to the value of New Investments, net of depreciation, at the time of termination or expiry of this Concession Agreement. Such value, net of depreciation, shall be calculated on the basis of the depreciation coefficients each time in force for tax purposes.

Subject to PPA's liability under Article 6.4 above, the estimated value of New Investments, net of depreciation, at the projected time of expiry hereof, as discounted and expressed in net present value (the "Net Present Value of New Investments After Depreciation") may be set off against the concession fee payable during the five (5) terminal years of the term of the concession, in whole or in part. In the case of such setoff, the State shall be partly relieved of its obligations arising under the previous paragraph and PPA shall be relieved from the obligation to pay the concession fee, up to the respective amount. Calculation of the net present value shall be effected taking into consideration the dates on which periodic payments of the concession fee become due, as reference dates. Any disputes as to the calculation of the Net Present Value of New Investments After Depreciation shall be resolved in accordance with the procedure set forth in Article 5.6.

8.3 At the time of termination or expiry hereof, PPA shall have the right to separate, disassemble and remove all enhancements to assets that are capable of being removed in accordance with Article 8.1. The State may, in its absolute discretion, retain such enhancements, in whole or in part, to the extent it determines that such enhancements support the operation of the Port of Piraeus as a whole, provided that in such case the State shall pay to PPA a consideration equal to the value of such enhancements at the time of termination or expiry, net of depreciation.

9. OBLIGATIONS OF PPA S.A

9.1 In the course of the exercise of the Right, PPA shall be obligated to demonstrate the degree of diligence and care dictated by the strategic, social and business purpose of the concession, as specified in Article 3.3.

9.2 Throughout the continuance of this Agreement PPA shall be under a duty to provide, continuously and uninterruptedly, a full range of port services and amenities. PPA shall ensure that requirements of port users from time to time are addressed and shall take measures, subject to the applicable law, to address new requirements in connection with services that may be liberalized in the future.

9.3 PPA shall be responsible for the continuous enhancement of the level of services to users, the upgrade of conditions of access and the assurance of intermodality with means of transport by land.

9.4 PPA shall be obligated to procure, service and maintain in safe and operative condition sufficient cranes and other lifting infrastructure, as well as floating and terrestrial means of support of its port activities.

9.5 To the extent relevant to the Piraeus Free Zone, PPA shall comply with its special obligations arising from the applicable law and shall ensure its appropriate demarkation and protection, with the assistance of the customs authorities and the State.

9.6 PPA shall ensure equal access and non fair treatment of users and shall refrain from any adverse or favourable discrimination among them.

9.7 To the extent dictated by law, PPA shall obtain all appropriate permits in connection with its tariffs policy in connection with the each time non liberalized activities, in accordance with Article 21 hereof on tariff policy and the provision of the Charter of Obligations to Consumers.

9.8 PPA shall be responsible for the protection of the land and sea environment and the antiquities and shall comply with relevant provisions of law in force from time to time. PPA shall demonstrate special diligence and shall undertake initiatives for the compliance with all specifications applicable to the management and disposal of waste, the prevention and remedy of environmental damage and the hoisting of wrecks within its area of jurisdiction specified in Article 2.2 hereof, in accordance with applicable law; PPA shall deploy the appropriate means, equipment and personnel for the above purposes.

9.9 PPA shall ensure:

(i) the installation and maintenance of required port equipment for safety of navigation and circulation of vehicles within the port zone;

(ii) the regular dredging of routes of access, port basins and berthing slots, only within the port zone;

(iii) the cooperation with the State agencies each time competent, in relation to the above obligations of PPA S.A.;

(iv) the enhancement of the level of security of the Port of Piraeus area and the provision of requisite equipment and means to the respective port authority, in accordance with the provisions of Article 2 of Law 2575/1998;

(v) the timely notification of the State in connection with any initiatives of PPA that may obstruct the fulfilment of the State's obligations or the implementation of the National Port Policy;

(vi) the preservation of the nature and character of the Perama Shipbuilding and Repair Zone and the development of shipbuilding and ship repair activities in general.

9.10 PPA shall adhere to the provisions each time governing the operation of the Port of Piraeus and the Free Zone, the provision of port services and the access of users and undertakings engaging in the provision of port services.

9.11 PPA shall enable the State to perform its audits and inspections provided by law and by the present Agreement and shall cooperate with agencies of the State, within the applicable range of their respective jurisdiction.

9.12 The obligations undertaken by this Agreement shall not inure to the benefit of any third party and may not per se establish the liability of PPA against any such third party.

10. INSPECTIONS BY THE STATE

10.1 Without prejudice to any other inspections each time provided by the applicable law and this Agreement for the assurance of implementation of the terms hereof, the State may conduct regular inspections of the Port of Piraeus, through its competent agencies, in order to ensure compliance by PPA with its obligations stemming hereunder. Inspections shall be conducted regularly on an annual basis and shall be carried out by a delegation nominated by the Ministers of Finance and Merchant Marine. In each case of an inspection, a report shall be compiled, which shall specify the time of inspection and shall document the detailed findings thereof. A copy of such report shall be delivered promptly to PPA.

10.2 Subject to Article 5.6 on the determination of the concession consideration, if a breach is identified in the course of any investigation, the State shall notify PPA and shall set a period for the remedy of the breach, which shall be reasonable in view of the nature of the breach and the extent of the measures required for its remedy. Upon the lapse of such period, the investigation shall be repeated with the view of verifying the remedy, as appropriate. In the event such new investigation identifies that the breach remains unremedied for reasons attributable to the fault of PPA, the State may take any measure deemed appropriate to remedy such breach, at the cost of PPA.

11. OBLIGATIONS OF THE GREEK STATE

11.1 The State is obligated, throughout the continuance of this Agreement, to provide to PPA the requisite support for the fulfilment of the purpose of the concession in accordance with Article 3.3, within the framework of national and EU legislation.

11.2 The State shall be responsible for ensuring, maintaining and developing access through roads and railways for users, means of transport and citizens in general, up to the boundaries of the Port Land Zone, as well as the maintenance of access from the sea from areas outside the port's sea zone, for the purpose of:

(i) ensuring the smooth conduct of freight, passenger and urban circulation and traffic of pedestrians, vehicles and means of transport to, from and near the Port of Piraeus;

(ii) expanding the range of the Port of Piraeus for the traffic of cargo of any nature destined for Greece, the wider Balkan region and the Mediterranean in general; and

(iii) ensuring the ability of immediate access, from sea and land, of the State's agencies that are responsible, competent for or capable of providing assistance or intervening for the safety of persons, vessels and infrastructure within the land and sea area of the Port of Piraeus.

11.3 To the extent possible, the State shall ensure the continued existence and availability of utilities networks (power supply, water supply, sewerage, etc.) up to the boundaries of the Port Land Zone.

11.4 Through its agencies, the State shall ensure the policing and preservation of law and order within the Port of Piraeus, in accordance with the provisions of the law.

11.5 The State shall fund Works, in accordance with Article 7 hereof.

11.6 The State shall advise PPA in connection with any regulatory initiatives which may affect or increase the obligations of PPA arising hereunder and shall ensure, to the extent possible, the consultation between representatives of PPA and those of the State's competent agencies in relation to proposed legislative changes affecting port operations in general. PPA shall refrain from implementing any policies which obstruct compliance by the State of any obligations of the State arising from international treaties or conventions.

12. FORCE MAJEURE

12.1 Parties shall not be liable in connection with any failure to perform their obligations hereunder, to the extent such failure is attributable to any facts or circumstances constituting force majeure. For the purposes of this Agreement, facts or circumstances constituting force majeure shall be conditions beyond the parties' reasonable control, including extreme weather conditions, precipitation, earthquake, epidemic, conditions of environmental pollution or concentration of toxic, biological or radioactive substances to a degree or extent immediately threatening human lives, floods, war, hostilities, terrorist action, general scale belligerent or violent acts, insurgency, bombardment, fire, explosion, power failures, failure of equipment which is officially certified and any other similar or equivalent condition which is not reasonably capable of being foreseen and immediately addressed, either by any party independently or with the assistance of the other party.

12.2 Each contracting party shall notify the other party with any appropriate means immediately upon becoming aware of the occurrence of circumstances or conditions of force majeure and shall take all measures and shall cooperate with the other contracting party to the fullest extent required for the management of such circumstances or conditions and the mitigation of their effects, duration and extent.

12.3 The limitation of liability of the parties set forth in Article 12.1 shall apply throughout the period of persistence of the respective circumstances or events, to the extent it is not possible for parties to remedy or mitigate the extent, effects or duration thereof.

12.4 In taking any independent measures or adopting any joint action for addressing matters resulting from events of force majeure, parties shall have due regard to the priorities of Article 3.3 of this Agreement.

13. TERMINATION

13.1 This Agreement may be terminated only by the State and only for serious cause consisting in the breach of any material term hereof. The following shall indicatively constitute serious cause within the meaning of this Article:

(i) the repeated or continued failure by PPA to comply with its obligations arising from this Agreement in connection with the exercise of the Right hereby granted, resulting in risk to any of the interests identified in items (i), (ii), (iii), (iv), (v) or (vi) of Article 3.3;

(ii) the repeated delay of payment by PPA to the State of the consideration payable hereunder, as determined and adjusted in accordance with the provisions hereof;

(iii) the declaration of PPA in bankruptcy, receivership by court order or its placement in liquidation.

13.2 Where the State deems that any of the events above specified have occurred, which give rise to a right of termination in accordance with this Article, the State may notify to PPA the occurrence of serious cause for termination, describing in detail the events justifying termination hereof and, if possible, set a reasonable term for PPA to adopt any appropriate measures for remedy of the breach. Such notice shall not be required in cases where the State is entitled to exercise its rights of intervention.

13.3 The right of termination shall be exercised by way of notice of the State to PPA in writing, which shall have immediate effect. Termination shall cause this Agreement to be dissolved; upon termination, parties shall be obligated to refrain from any activity to which they were entitled on the basis of this Agreement, subject to any rights acquired by third parties in accordance with Article 4.4 hereof.

(i) Specifically, within three (3) months as of termination of this Agreement, PPA shall be obligated to hand back to the State the Port Land Zone and any assets on concession until such time; PPA shall remove from the Port Land Zone any equipment belonging to PPA, other than any equipment then on concession by PPA to third parties and any equipment which the State has agreed need not be removed. Parties may agree on an extension of the term available for hand back, up to the maximum term of six (6) months. Until completion of the handback procedure, to be evidenced by a written protocol of delivery and acceptance signed by both parties, PPA shall be obligated to continue to provide port services and to ensure the continued operation of the Port of Piraeus, by serving at least the basic needs of port users.

(ii) Other than as specified in Article 8.2 hereof, PPA shall not reserve any claims against the State in relation to any enhancements to the Port Land Zone that continue to exist following termination hereof.

13.4 Upon termination hereof, the State shall be automatically subrogated to all rights and obligations of PPA in relation to any works then in progress.

14. NON ASSIGNMENT

It is agreed that neither the Right nor any other right hereby granted to PPA may be transferred, in whole or in part. Non assignability of the Right shall not preclude any further concessions of the use of concession assets in accordance with Article 3.1 (iii), the application of Article 3.7 hereof or any investments by third parties in accordance with the terms hereof.

15. RENEGOTIATION

15.1 The terms of this Agreement may be renegotiated, in whole or in part, in cases where additional consideration is payable in accordance with the terms hereof or where a material change of circumstances has occurred, as construed in accordance with Article 388 of the Civil Code. It is agreed that the following shall also constitute a material change of circumstances:

(i) the persistence of any event of force majeure or any event justifying the exercise by the State of its rights of intervention, for a period exceeding three (3) months;

(ii) any obligation of the State to comply with primary or secondary legislation of EU origin or rules derived from international treaties or conventions to which Greece has acceded, any extraordinary advances in technology, any material demographic or other changes, with unprecedented effects on the future operation and needs of the Port of Piraeus, subject to the rights of PPA in accordance with Article 3.7 hereof; and

(iii) any reduction of the State's participation in the share capital of PPA below the threshold of 51%.

15.2 Either contracting party may assume the initiative for commencement of negotiations, by written notice to the other party, which shall specify the items proposed for renegotiation and shall specify the reasons justifying renegotiation, in the opinion of the party requesting it. The parties shall be obligated to convene for negotiations within one month as of delivery of the above notice and shall endeavour in good faith to settle the disputed matters by renegotiation or compromise. In the event parties reach an agreement, such agreement shall be documented in an Addendum, which shall amend the terms hereof to the extent agreed. Parties shall take into consideration the criteria of Article 3.3 in the course of any renegotiation.

15.3 In the event the contracting parties are unable to reach agreement:

(i) the matters in dispute shall be brought for resolution in accordance with Article 16 hereof, on the basis of Article 372 of the Civil Code; or

(ii) this Agreement shall be terminated, in the event there exists serious cause to that effect.

16. DISPUTE RESOLUTION

16.1 In the event of any dispute, difference or challenge between PPA and the State, arising out of or in connection with this Agreement, such dispute, difference or challenge shall be resolved in accordance with the following paragraphs.

16.2 In the event the dispute is of a technical nature, i.e., relates to purely technical issues, such dispute shall be resolved through expert assessment in accordance with the applicable law; expert assessment shall be conducted by a three-member panel, composed of certified engineers, graduates of Greek universities or equivalent foreign universities recognized in Greece. Each party shall be entitled to nominate one member of the panel, by written notice to the other party, within twenty (20) days as of receipt of a notice by the other party requesting the submission of a matter for resolution by the panel of this Article. In the event any party fails to appoint a member of the panel within the above period, such member, together with the third member of the panel, shall be appointed by the Technical Chamber of Greece (TEE), in accordance with the institutional procedures to be determined by TEE, upon the request of either contracting party.

The panel shall be obligated to issue a report of findings of expert assessment within a maximum term of three (3) months as of the date of acceptance of designation by its members. The report to be issued shall be binding upon both parties. However, either party shall be entitled to submit the dispute for resolution in accordance with the immediately following paragraph, within an exclusive period of thirty (30) days as of issuance of the report. In the event the report of expert assessment is not issued and notified timely to the parties, parties shall not be bound by such report and shall be entitled to either request the constitution of a new panel in accordance with the terms of this Article or to refer directly the dispute for resolution in accordance with the immediately following paragraph.

16.3 Any dispute, difference or challenge between the parties which is either of a non technical nature or is of a technical nature, but cannot be resolved in accordance with the preceding paragraph, shall be brought for resolution before the Courts of Piraeus, which are agreed to be competent.

17. STATE'S RIGHT OF INTERVENTION

17.1 The State shall be entitled to exercise a right of intervention in the cases provided for by law or this Agreement. Prior to exercising its right of intervention on the basis of this Agreement, the existence of valid grounds justifying such exercise shall have been verified by the State, as represented by the Minister of Finance and the Minister of Merchant Marine. By exercising its right of intervention, the State shall be entitled to discontinue any commercial activity and any Works. Subject to the provisions of the law, the right of intervention may be exercised exclusively in the following cases:

(i) in the event the State, as represented in accordance with the above, reasonably determines (subject to purely sovereign acts), that:

(a) PPA has breached any material obligation arising hereunder, to such extent and in such manner as to cause an immediate and material threat to the safety of port users in general; or

(b) material damage or disturbance of the environment has been caused or is threatened by reason of an act or omission of PPA and the extent and degree of such disturbance or damage is such as to justify the intervention or the interruption of the exercise of the Right;

provided that, in each cases under (a) and (b) above, the State has given notice to PPA for the voluntary remedy of the event giving rise to the right of intervention, reasonably prior to the exercise of such right, and the term provided for remedy has elapsed without substantial remedy forthcoming.

(ii) in the event PPA ceases to provide the minimum services of Article 3.3 (iii) in their entirety or substantially in their entirety and in each case permanently, or practically abandons the provision of such services or ceases to satisfy substantially the requirements of Article 3.3, for reasons not attributable to acts or omissions of the State;

(iii) in the event that the Port of Piraeus remains inaccessible to users for a continuous period exceeding forty-eight (48) hours, for any reason other than scheduled maintenance or the adoption of extraordinary measures intended for the remedy of safety of navigation or conditions of force majeure;

(iv) in the event the State determines that its intervention is required for preventing or deterring immediate risks to the lives or health of any persons; or

(v) in any event where the State deems it expedient to intervene for the protection of national interests, public order and security.

17.2 Upon the occurrence of any of the events specified in Article 17.1 and by the procedure therein described, the State shall be entitled to suspend the exercise of the Right, to place the Port of Piraeus under the management and administration of the State, in whole or in part, and to take any measure deemed necessary for regularizing the circumstances justifying the intervention, acting on the basis of the principle of proportionality.

17.3 The State's right of intervention shall automatically cease to exist at the time when the circumstances justifying the intervention either subside or are remedied.

In such case the State shall hand back to PPA the management and administration of the Port of Piraeus and the Right shall be reinstated until the agreed expiry of this Agreement.

17.4 Exercise of the right of intervention by the State in accordance with the present Article shall not preclude the State from exercising its right of inspection (Article 10) or its right of termination.

18. AMENDMENTS

18.1 This Agreement may only be amended by way of a subsequent written agreement of the parties, duly signed by their respective lawful representatives.

18.2 In the event that, due to unforeseen changes of circumstances, this Agreement needs to be amended and any of the parties unreasonably refuses to consent to such change, in whole or in part, the other contracting party shall be entitled to invoke its rights under Article 15 hereof.

19. COMMUNICATION BETWEEN THE PARTIES

19.1 PPA shall submit to the State annual reports describing the condition of concession assets, the progress of Works and any damage, destruction or tear thereto.

19.2 In its capacity as owner, the State may make recommendations or suggestions to PPA in relation to the use and condition of the concession assets; PPA shall comply with such suggestions and recommendations, to the extent not inconsistent with the provisions of this Agreement and provided that such compliance does not cancel or restrict the Right, with due regard to the purpose for which the Right has been granted.

20. NOTICES

Any communication or notice between the parties envisaged under this Agreement or effected in relation herewith shall be deemed validly delivered if made in writing and delivered to or served on the other party, at the following respective addresses and to the attention of the respective addressees of the parties:

To the Greek State

- (A) Ministry of Merchant Marine
General Secretariat of Ports and Port Policy
Directorate of Ports and Port Works
For the attention of the Director
Fax: 4124332
- (B) Ministry of Finance
General Directorate of Public Property and National Endowments
Directorate of Public Property
For the attention of the Director
Fax: 5237417

To PPA

Piraeus Port Authority S.A.
For the attention of the Chairman of the Board of Directors
10 Miaouli Coast
Piraeus
Fax:

Either party may designate new addressees, by way of notice addressed to the other party in writing, in the manner specified above.

21. TARIFF POLICY

21.1 The approval of PPA's tariffs for services shall be a matter for its Board of Directors, in accordance with its Charter, incorporated in Article three of Law 2688/1999, as in force. Increases to tariffs may be effected once per year. Following each revision, the tariffs each time applicable shall be notified to the Minister of Merchant Marine.

21.2 In determining and implementing its tariffs and charges for works and services, PPA shall ensure their transparent and uniform application and shall refrain from any discrimination among port users; however, PPA shall be entitled to provide volume discounts on the basis of objective criteria, which shall be specified in detail in its lists of tariffs.

21.3 PPA shall compile and update, as required, a Rulebook of Obligations to Consumers (ROC), which shall set forth, among other matters, the obligations of PPA to users in connection with the provision of quality service, as well as the procedure for handling and the response time applicable to requests for information or complaints. PPA shall ensure that up-to-date copies of the ROC are readily available to the public at various customer service locations within the Port of Piraeus.

IN WITNESS WHEREOF, this Agreement was executed in four (4) originals, of which each party retained (2).

THE CONTRACTING PARTIES

For the GREEK STATE

The Deputy Minister
of Finance

The Minister
of Merchant Marine

[signed]

[signed]

A. Photiades

George Anomeritis

For Piraeus Port Authority S.A.

The Chairman of the Board of Directors

The Managing Director

[signed]

[signed]

C. Maniatopoulos

H. Psaraftis