# PIRAEUS PORT AUTHORITY S.A.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON THE 31ST DECEMBER 2010

(IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION)

## STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors
(in accordance with article 4 par. 2 of L. 3556/2007)

The following statements, which are effected in accordance with article 4 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. Georgios Anomeritis, President of the Board of Directors and CEO
2. Nikolaos Moustakis, Vice-President of the Board of Directors and
3. Georgios Papadopoulos, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, and in particular the third as specifically appointed by the Board of Directors of the societe anonyme company under the name “Piraeus Port Authority Societe Anonyme” and trade title “PPA S.A.” (hereinafter referred to as “Company” or as “PPA”), we state and we assert that to the best of our knowledge:

(a) the financial statements of the Company of the societe anonyme company under the name “Piraeus Port Authority Societe Anonyme” and trade title “PPA S.A.” for the period from January 1, 2010 to December 31, 2010, which were compiled according to the applicable International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, according to that stated in paragraphs 3 to 5 of article 4 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the annual Report of the Board of Directors of the Company provide a true and fair view the evolution, the achievements and the financial position of the Company, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraphs 6 to 8 of article 4 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Athens, March 14, 2011

| | | |
|---|---|---|
| Georgios Anomeritis | Nikolaos Moustakis | Georgios Papadopoulos |
| President of the<br>Board of Directors and CEO | Deputy<br>Managing Director | Member of the<br>Board of Directors |

# ANNUAL REPORT OF THE BOARD OF DIRECTORS
# of the Company
# "PIRAEUS PORT AUTHORITY S.A." with the distinctive title "P.P.A SA"
# (according to the provisions of paragraph 6 of article 5 of Law 3556/2007)
# On the Financial Statements of the Financial Year from
# 1st January until 31st December 2010

The present report of the Board of Directors was compiled and is in accordance with the statute 2190/1920, law 3556/2007 and the subsequent administrative decisions of the Capital Market Commission and particularly the decision 7/448/11-10-2007 of its Board of Directors.

The report aims to inform investors about:

- The financial status, results and the general prospects of the company for the aforementioned period as well as changes made in its assets.
- The most important events that took place in the current financial period and their effect on the financial reports
- The strategy and the business plan of the Company and its investment plan that supports its strategy and business plan.
- The risks and uncertainties that might arise for the company within 2011
- The exchanges made between the company and any affiliated entities.

**Main Activities of the Company**

The main activities of the Company are provision of harbour to ships, cargo stevedoring & storage services, car stevedoring services & storage and services provided to cruise and coastal passengers.

In addition the Company provides auxiliary services to ships (water, electricity, telecommunication services etc) and consents land space against fee.

## Strategy and Business Plan

- The basic strategic objective of PPA SA is the balanced growth of all sectors of activity, especially those that can acquire the necessary and sufficient size that will decrease the dependence of the overall results of the Company from those of the Containers Terminal. Such activities are the Cruise and Car terminal sectors.

  Already, after having examined in-depth the components of Cruise' results, we approved a partial adjustment of our tariffs for year 2011 at the level of 55% of the average tariff of competing ports and for year 2012 at the level of 80%.

  At the same time, we are increasing the capacity of the Central Terminal, we drastically extend the capacity of "Kanellos" passenger terminal and improve the equipment aiming at the upgrade of services offered to vessels and passengers.

  In relation to the Car terminals sector, we have already begun the expansion and improvement of the basic (G.2) Terminal that is expected to finish until June, whilst within the next three years the complete plan of development of the Car Terminals will have been implemented.

  Based on the prevalent practice regarding car terminal that dictates "provide spaces and cars will come", we are creating a large Terminal, exploiting simultaneously the comparative geographic – but not only – advantage of Piraeus, particularly in periods that fuel for vessels is expensive.

  In conclusion, it is aimed and it has already been achieved in some degree the most balanced contribution of individual business activities in the overall result of the Company, thereby rendering an increased resistance in potential negative developments and less sensitivity in the market conditions of the Container industry.

  It should be stressed in particular that, in a period where it is difficult to identify investment opportunities in Greece, PPA SA has the possibility of a visible, secure and long-lasting growth, as long as we:

  - Make profitable use of our geographic advantages,

- organise the operation of the human resources of the Company in a modern and efficient manner, that will be based on fair wages on the basis of the skills, the experience and the performance at work. The personnel will be the first to enjoy the fruits of that growth.

Among the immediate priorities of the Company are also included the completion of infrastructure of Pier I, in a manner that eliminates – as much as possible – the inherent problems, in order to achieve the best possible performance.

- enhancement of competitiveness through the improvement of the factors encouraging productivity.
- continuous upgrade and improvement of provided services, such as services to Coastal passengers, with their guidance outside and inside the port, their information, their free and safe transportation within the port, their safe and comfortable stay in the passenger terminals.
- development of human resources through constant training and adaptation to the novel technological requirements.
- development of programs for the protection of the Environment paying due respect to the users of the Port and the citizens of neighbouring municipalities.
- real estate development in a manner that promotes the broader social benefit.
- operation of the Company based on sound economic criteria of the private sector, although respecting and having full awareness of its public character.
- protection of the interests of shareholders through suitable choices that serve the constant and long term profitability of the Company, as well as the creation of added value through continuous growth.

The implementation of the above objectives governs the decisions and the daily operation of the Company.

**Investment Plan**

The Management in order to serve the above-mentioned objectives worked out an Investment Plan for the development, expansion and upgrade of infrastructure and equipment of the productive system of the Company, which is outlined in the following Tables 2 and 3. This plan will be financed in all suitable manners, i.e. through own funds, lending, subsidies from NSRF.

Table 4 shows the list of investments that PPA SA has decided to promote through concessions, thereby financially exploiting – to its benefit – funds of third parties, that the Company cannot dispose or does not have the know-how of exploit them.

With this category of projects, PPA SA not only expects revenues, but also aims to bring activities in the wider region that are expected to contribute in the growth of economic activity.

PPA SA having in its disposal the suitable spaces, the necessary mechanisms, but also the willingness to play its role – in the framework of its corporate and social responsibility, which in fact considers increased because of its public character – has decided to undertake a coordinative role and to allocate a large part of the spaces that it manages in the Central Port, in order to facilitate the investments of Table 5.

The financing of these investments will be made exclusively with funds of third parties.

Finally, Table 6 enlists the projects that are currently being implemented in the commercial port by third parties, with their own funds.

The projects included in the investment plan 2011-2015, have been approved by the Board of Directors of the Company and are as follows:

INVESTMENT PLAN 2011-2015

The Investment Plan has been classified, on the basis of the above-mentioned, in five categories of projects:

1. revamping of existing port installations (Table 2)
2. expansion of port facilities (Table 3)

3. concessions for exploitation from third parties (Table 4)
4. investments from third parties, within the port region, with coordination and organisation of the overall effort by PPA (Table 5)
5. investments by third parties (P.C.T and HELLENIC RAILWAYS-OSE) under the supervision or not by PPA (Table 6)

**SUMMARIZED TABLE (1)**

| CATEGORY | NUMBER OF WORK | 2011 | 2012 | 2013 | 2014 | 2015 | TOTAL |
|---|---|---|---|---|---|---|---|
| 1 | 15 | 25.876 | 16.000 | 10.000 | 5.500 | 5.500 | **62.876** |
| 2 | 6 | 5.600 | 29.400 | 45.000 | 64.000 | 70.000 | **214.000** |
| | | | | | | | |
| Total PPA * | **21** | **31.476** | **45.400** | **55.000** | **69.500** | **75.500** | **276.876** |
| | | | | | | | |
| 3 | 4 | 21.000 | 101.500 | 120.000 | 20.000 | 0 | **262.500** |
| 4 | 6 | 2.000 | 1.500 | 2.000 | 0 | 0 | **5.500** |
| 5 | 3 | 0 | 20.000 | 30.000 | 60.000 | 0 | **110.000** |
| | | | | | | | |
| **GENERAL TOTAL** | **34** | **54.476** | **168.400** | **207.000** | **149.500** | **75.500** | **654.876** |

* The projects of the first two categories (Tables 1 and 2) are being undertaken or will be undertaken by PPA under the financing arrangements being laid out for each project separately (column "Remarks").

**CATEGORY 1 (TABLE 2)**

| No. | DESCRIPTION | TOTAL | 2011 | 2012 | 2013 | 2014 | 2015 | REMARKS |
|---|---|---|---|---|---|---|---|---|
| 1 | Completion of Pier I | 4.446 | 4.446 | | | | | |
| 2 | Expansion of Cruise Passenger Terminal in the region "Leontos". | 3.000 | 3.000 | - | - | - | - | Own funds |
| 3 | Expansion of the dock serving coastal shipping in the port Alon (EIS) | 2.890 | 2.890 | - | - | - | - | National Strategic Reference Framework (NSRF) European Investment Bank |
| 4 | Upgrade of Infrastructure<br>- Container Terminal 1.120<br>- coastal shipping 890<br>- Cruise 1.270<br>- Spaces 1.020<br>4.300 | 4.300 | 4.300 | | | | | Own funds |
| 5 | Construction of a new building SYKE in the Container Terminal P1 and P2 | 300 | 300 | - | - | - | - | Co-financing PPA - PCT |
| 6 | Electro-mechanical Equipment, Machinery and Substations. | 10.940 | 10.940 | - | - | - | - | Own funds |
| 7 | Construction of an underground connection of G4 with the area of former ODDY | 3.000 | - | 3.000 | - | - | - | PPA own funds National Strategic Reference Framework (NSRF) European |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Investment Bank |
| 8 | Environmental infrastructures | 3.000 | - | 3.000 | - | - | - | National Strategic Reference Framework (NSRF) European Investment Bank Own funds |
| 9 | New unified building of Customs in the area of ODDY. | 9.000 | - | 4.000 | 5.000 | - | - | Own funds-European Investment Bank |
| 10 | Deepening of Central Port. | 8.000 | - | 2.000 | 2.000 | 2.000 | 2.000 | Own funds-European Investment Bank |
| 11 | Upgrade of Ship Repair Zone in the area of Perama. | 10.000 | - | 3.000 | 2.000 | 2.500 | 2.500 | Own funds-European Investment Bank |
| 12 | Equipment of upgrading of port. areas | 4.000 | - | 1.000 | 1.000 | 1.000 | 1.000 | Own funds |
| 13 | Undersea pedestrian crossing from Leontos to Hietionia Coast, in the Central Port | Under study | - | - | - | - | - | Own funds-European Investment Bank |
| 14 | Upgrade of region "Lemonadika" | Elaboration of Study | - | - | - | - | - | Own funds-European Investment Bank |
| 15 | Autonomous operation of ISPS for Piraeus. | Elaboration of Study | - | - | - | - | - | Own funds |
| **Total** | | **62.876** | **25.876** | **16.000** | **10.000** | **5.500** | **5.500** | |

**CATEGORY 2 (TABLE 3)**

| No. | DESCRIPTION | TOTAL | 2011 | 2012 | 2013 | 2014 | 2015 | REMARKS |
|---|---|---|---|---|---|---|---|---|
| 1 | New dock for cruise vessels in Ag. Nikolaos | 5.000 | 600 | 4.400 | - | - | - | PPA own funds National Strategic Reference Framework (NSRF) European Investment Bank |
| 2 | Car Terminals development | 15.000 | 4.000 | 4.000 | 4.000 | 3.000 | - | Own funds / European Investment Bank |
| 3 | Studies | 4.000 | 1.000 | 1.000 | 1.000 | 1.000 | - | Own funds |
| 4 | Expansion of the southern Central Port for cruise vessels. | 190.000 | - | 20.000 | 40.000 | 60.000 | 70.000 | National Strategic Reference Framework (NSRF) European Investment Bank (EIB) Large scale Work |
| 5 | Expansion of northern Central Port for coastal shipping.. | Under study | - | - | - | - | - | In Combination with the reform of Drapetsona |
| 6 | Replacement of old reservoirs in Perama | Under study | - | - | - | - | - | In Combination with NAFSOLP |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| **Total** | **214.000** | **5.600** | **29.000** | **45.000** | **64.000** | **70.000** | |

**CATEGORY 3 (TABLE 4)**

| No. | DESCRIPTION | TOTAL | 2011 | 2012 | 2013 | 2014 | 2015 | REMARKS |
|---|---|---|---|---|---|---|---|---|
| 1 | Restoration - Exploitation of the Hyper-structure of Molos Krakari. | 2.500 | 1.000 | 1.500 | - | - | - | Concession Contract |
| 2 | Exhibition – Conference centre | 90.000 | 10.000 | 40.000 | 40.000 | - | - | Concession Contract |
| 3 | Construction of an elevated rail (Monorail) around and within the port. | 120.000 | 10.000 | 50.000 | 60.000 | - | - | National Strategic Reference Framework (NSRF) European Investment Bank (EIB) |
| 4 | Transformation of “Pagoda” in a Cruise Terminal and a 5* Hotel | 50.000 | - | 10.000 | 20.000 | 20.000 | - | Concession Contract |
| | | | | | | | | |
| | **Total** | **262.500** | **21.000** | **101.500** | **120.000** | **20.000** | **0** | |

**CATEGORY 4 (TABLE 5)**

| No. | DESCRIPTION | TOTAL | 2011 | 2012 | 2013 | 2014 | 2015 | REMARKS |
|---|---|---|---|---|---|---|---|---|
| 1 | Landscape works in the area of the Cultural Coast 55 acres | 1.000 Ready master plan | 1.000 | - | - | - | - | Jessica & National Strategic Reference Framework (NSRF) |
| 2 | Transformation of the Stone Warehouse into a Museum of Immigration and Refugees | 4.500 | 1.000 | 1.500 | 2.000 | - | - | National Strategic Reference Framework (NSRF) European Investment Bank (EIB) Contract with the MINISTRY OF CULTURE |
| 3 | Integration of the property of “Kastraki” in the Hietionian Coast in the infrastructures of the Cultural Coast. | Under study | - | - | - | - | - | Concession Contract with the MINISTRY OF CULTURE Cofinancing/EIB |
| 4 | Transformation of the large warehouse of the Hietionian Coast in a centre of multiple uses and innovation. | Under study | - | - | - | - | - | Concession Contract /Jessica |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | Transformation of southern warehouse of Hietionias Coast in rooms of museums. | Under study | - | - | - | - | - | Concession Contract /Jessica |
| 6 | Transformation of the building of SILO in a National Naval Museum. | Under study | - | - | - | - | - | Contract with the MINISTRY OF CULTURE |
| | | | | | | | | |
| | **Total** | **5.500** | **2.000** | **1.500** | **2.000** | **0** | **0** | |

**CATEGORY 5 (TABLE 6)**

| No. | DESCRIPTION | TOTAL | 2011 | 2012 | 2013 | 2014 | 2015 | REMARKS |
|---|---|---|---|---|---|---|---|---|
| 1 | Construction of the Eastern department of Pier III | 110.000 | - | 20.000 | 30.000 | 60.000 | - | Financing by SEP S.A. |
| 2 | Upgrade of infrastructures and equipment of Pier II | Study has been approved | | | | | | Financing by SEP S.A. |
| 3 | Completion of railway network and terminals in the Container Terminal and Car Terminal. | Under implementation | - | - | - | - | - | Financing by HELLENIC RAILWAYS (OSE) |
| | | | | | | | | |
| | **Total** | **110.000** | **0** | **20.000** | **30.000** | **60.000** | **0** | |

The main project of the investment plan 2009-2013, i.e. the construction and the equipment of Pier I, was completed during 2010 and already started operations (01.06.2010).

However, the problem that was created because of the way the Concession of Pier II was made, in combination with the delayed completion of Pier I has deprived PPA SA from the relative revenues during the first 5 months of 2010 and it continues to be a problem as PPA was alienated from its clientele for an 8 month period.

### A. Business activity development - International Economic Environment

**The shipping market of container transportation** has, following the deceleration of trade in 2009 and the negative financial results of shipping companies, presented signs of recovery in 2010. The reduction of speed and the vessels laid up, in combination with the partial recovery of trade, brought a balance in the shipping market and it is expected that most companies in the sector will return to profitability.

Container throughput in Europe presented an increase of 12,4% in 2010. It should however be noted that, the reduction recorded in 2009 against 2008, was 14% and consequently the international trade has not fully returned to the levels preceding the crisis.

Pier I of PPA was put in operation in June 2010 and consequently the statistical data are not comparable with those of 2009.

Total container throughput in the Port of Piraeus amounted to 863.808 TEU, among which, 193.944 TEU through Pier I of PPA (that began its operation in June 2010) and the rest through Pier II of P.C.T..

**In the sector of car terminals**, the continuing economic recession of the country had substantial negative consequences in the sales of cars, thereby negatively affecting the imports of cars – and thus to the stevedore activity – that was decreased by a record number. According to data provided by the Union of Car Importers of (SEAA), the classifications of cars in 2010 decreased by a percentage of 35.8% or by 79.049 vehicles.

The reduction of classifications was reflected proportionally in the number of vehicles of import that were handled by PPA SA in the Car Terminals. Thus, in 2010, imported vehicles throughput amounted at 133.545 vehicles, decreased by 22.9% against 2009.

The activation of the measure of car withdrawal in 2011 is expected to stimulate the market and consequently PPA's work, without however – for the time being – to be in a position to estimate its effect.

On the contrary, the increase of transshipment cargo handling was significant, due to the partial recovery of the international economy and the efforts of the Management towards the shipping companies to attract such cargo. In 2010 cars throughput recorded an increase against 2009 by 139.2% (246.801 against 103.178 of shipments).

The recent political instability in the countries of northern Africa, that constitute countries of final destination for the transshipment cargo from the Port of Piraeus, creates positive, but also negative prospects for 2011. Undoubtedly however, Car Terminal constantly develops and establishes its place in the region and it is expected to be one of the most profitable activities of PPA SA.

**The sector of cruise** presented in 2010 – at a global scale – an increase by 4.2%, whilst Europe continued for a second year to present growth at a rate bigger than the world average (10.6% against 4.2%). Respectively, the Mediterranean continues to constitute the most important destination of cruise in Europe. The estimation is that the demand will be at levels higher than those of the world average for the whole decade.

The objective of Piraeus, in this new environment, is its growth as a port of origin-destination, as well as the expansion of the period of cruise, so that it may cover the winter months as well. In order to do this, in 2011 the tariffs were adjusted and incentives were given for the achievement of these objectives.

In 2010 cruise passenger throughput at the Cruise port was 1,864,657, of which 426,147 were home port passengers. Total cruise passenger throughput was reduced by 8.1% due to a 10.8% in transit passenger throughput. However the increase by 2.6% in home port passenger throughput had a positive effect on revenues as the relevant tariff is higher due to the increased cost of service provision.

At the same time the upgrading of Passenger Terminals and of transportation means (Coaches, etc) have begun, whilst measures have been taken for the improvement of services provided.

In the sector of coastal shipping, passenger throughput from the Central Port was 10,100,697 passengers recording a decrease by 5.6% against 2009. Ferry passenger throughput was 8,371,064 recording also a decrease by 4.1%. The recorded decrease is probably attributed to the general economic environment in the country that among other things has a negative effect on passenger transport to and from the islands.

**B. Progress-Financial results of 2010.**

Revenues of the financial year from the core activity of the Organization amounted to 98.7 million euros, against 111.8 million euros in the financial year 2009, decreased by roughly 13.1 million euros or 11%, this being due to Pier I not operating during the first 5 months of 2010 (against 3 months for 2009), in the loss of an appreciable part of clientele of Container Terminal in favour of Pier II etc.

Total (short term and long term) Liabilities: Total liabilities of the Company amounted in Euros 243.7 million, against Euro 233.5 million in 2009. The difference is attributed mainly to the loans and subsidies increase by 55 million and 10.4 million euro, respectively, (Note 17), as well as from the reduction of the net debit of suppliers at 30 million euro, because of the completion of investments in Pier I.

**Critical Index numbers:**

| | 2010 | 2009 |
|---|---|---|
| GENERAL LIQUIDITY<br>(Current Assets / Short-term Liabilities) | 2,43 | 1,08 |

| | | |
|---|---|---|
| QUICK LIQUIDITY<br>[(Current Assets – Inventories) / Short-term Liabilities] | 2,36 | 1,05 |
| DEBTS<br>(Banking Liabilities / Own Funds) | 0,60 | 0,29 |

## C. Important Events during Financial Year 2010 and 1st quarter of 2011

a. During the reported year started the operation (1st June 2010) of Pier I under the management of PPA SA.

The parallel operation of the two Container Terminals has reversed the conditions that were in effect up to today in the Port of Piraeus, in view of the level of revenue - but also the effect on the results of the Company created by the Container Terminal.

b. The process of the personnel Voluntary Retirement was completed according to the L. 3654/08, that had its application period extended until 28/2/2010.
The same also happened with those that exploited the possibility provided in the relative Memorandum of Understanding that was signed between the Management and the Unions in December 2009.

The people that retired, in each case, and the cost of the relative compensations that affect the results of the financial years 2010 and 2009 are as follows:

| **TYPE OF INCENTIVE** | **NUMBER OF PERSONS** | | **COST IN MILLION €** | |
|---|---|---|---|---|
| | **2009** | **2010** | **2009** | **2010** |
| Law 3654/08 | 42 | 0 | 7.2 | 0 |
| Law 3816/10* | 65 | 23 | 10.8 | 3.9 |
| MoU | 66 | 0 | 1.6 | 0 |
| **Total** | 173 | 23 | 19.6 | 3.9 |

* L. 3816/10 extended the application period of L. 3654/08.for two months

c. The reduction according to the Law at a percentage of roughly 10%, of the wages of the PPA SA personnel. The Company applies the Law because the State is its main shareholder (75%).

d. The termination of stevedoring activity and of storage of grains in the SILOS of the central port. This activity has been creating a large loss to the Company, whilst the market is considered very limited for the Company to proceed to the creation of new installations.

e. Another - also important project under process - for the operation of the Commercial Port as well as for the Car Terminals, is the railway connection of Ikonion with Thriasio.
PPA S.A. did and continues to do all actions required towards the competent Ministries and ERGOSE SA in order for the project to be completed within 2011.

## D. Prospective -Expected Developments, Main Risks and Uncertainties for 2011

a. The business activities of PPA SA is among the first to accept the positive or negative effects from the fluctuation of international trade, which - because of the international crisis - is currently found in crisis, showing however certain signs of recovery. Generally speaking, the entire system continues to be characterized by some uncertainty.
Thus, the impact from the development of the international crisis in the anticipated financial results of the current financial year 2011 is expected to be positive.

The accurate recording of factors affecting P.P.A SA requires a separation amongst the developments at:

- global scale
- regional scale.

Within these, the international transshipment cargo is expected to increase as a result of the positive development in the volume of international trade. However, the downward trend of domestic cargo should be considered to continue also within 2011, affecting the turnover of the company.

b. The main risk for the results of financial year 2011 is the one created by the autonomous operation of Pier I under the double pressure of the competition and the international crisis.

However a systematic and organised effort for countering this risk is being made with the increase of turnover from the Cruise and Car sectors.
As far as cruise is concerned a readjustment of tariffs was made with the scope of covering the gap that existed with the current prices of competing ports, with a parallel effort to upgrade the services provided. This policy, in combination with the volume increase, is expected that to yield to the company an additional revenue amounting to 3.5 million euro.
As far as the Car Terminal is concerned, the works of upgrading and increasing the capacity of the Terminal are in progress, and in combination with the coordinated contact with the clientele, will increase around 12% amidst the crisis.

**E. Financing Means**

**Fair value:** The amounts included in the attached statements of the financial position as cash on hand and in banks, to customers and short –term receivables, suppliers and the remaining short-term liabilities approach their respective actual values because of the short-term nature. The actual value of loans of a floating interest-rate approaches the sums that are presented in the statements of the financial position.
**Credit Risk:** The company does not have a substantial concentration of credit risk against the contracting parties, since it has always been practicing the receipt of advance payments or letters of guarantee in the provision of services.
**Foreign Exchange Risk:** The Company is neither involved in international trade, nor has long-term loans in a foreign currency and therefore is not exposed to foreign exchange risk that would result from fluctuations in foreign currency rates.
**Interest-rate Risk:** The Company bank loans are exclusively expressed in Euros and are subject to floating interest-rates. The company, as at the balance-sheet date, does not make use of derivatives in financial instruments in order reduce its exposure to interest-rate risk fluctuation. The management of the Company believes that there do not exist any significant I risk, resulting from a possible interest-rate fluctuation.
The table below presents and analyzes the sensitivity of the results in relation to financial assets (cash on hand and in banks) and the financial liabilities (loans) to f the interest rate risk changes , assuming a simultaneous change of interest-rates by ±100 basis points

| **2010** | | Risk of Interest-rates | |
|---|---|---|---|
| **Financial Property Assets** | Account values | +100bips(Euribor) | -100bips(Euribor) |
| Cash on hand and in banks | 8.204.797,83 | 82.047,98 | (82.047,98) |
| Effect pre tax | | 82.047,98 | (82.047,98) |
| Income Tax of 25% | | (19.691,51) | 19.691,51 |
| Net effect | | 62.356,46 | (62.356,46) |
| **Financial Liabilities** | | | |
| Loans | (91.949.216,82) | (919.492,17) | 919.492,17 |
| Effect pre tax | | (919.492,17) | 919.492,17 |
| Income Tax of 25% | | 220.678,12 | (220.678,12) |
| Net effect | | (698.814,05) | 698.814,05 |
| **Total Net Effect** | | (636.457,58) | 636.457,58 |

| **2009** | | Risk of Interest-rates | |
|---|---|---|---|
| **Financial Property Assets** | Accountant values | +100bips(Euribor) | -100bips(Euribor) |
| Cash on hand and in banks | 33.270.079,96 | 332.700,80 | (332.700,80) |
| Effect pre tax | | 332.700,80 | (332.700,80) |
| Income Tax of 25% | | (83.175,20) | 83.175,20 |
| Net effect | | 249.525,60 | (249.525,60) |
| **Financial Liabilities** | | | |
| Loans | (40.871.461,99) | (408.714,62) | 408.714,62 |
| Effect pre tax | | (408.714,62) | 408.714,62 |
| Income Tax of 25% | | 102.178,65 | (102.178,65) |
| Net effect | | (306.535,96) | 306.535,96 |
| **Total Net Effect** | | (57.010,37) | 57.010,37 |

**Liquidity Risk**: The effective management of liquidity risk is ensured by keeping sufficient cash on hand and in banks and by having the possibility of financing in case of emergency. The corporate management of liquidity risk is based on the right management of the working capital and cash flows.
The following table summarises the dates of expiry of financial liabilities of the 31st of December 2010 and 2009, respectively, that arise from the relative contracts in non discounted prices.

| Sums of Financial Year 2010 | Immediately payable | Within Less than 6 months | 6-12 months | 1 - 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Lending | - | 596.110,69 | 566.146,38 | 13.915.538,16 | 87.350.252,49 | **102.428.047,72** |
| Financial Leasing | 101.569,00 | 203.138,02 | 304.707,02 | 1.339.802,78 | - | **1.949.216,82** |
| Suppliers and other liabilities | 2.562.109,70 | 2.748.562,83 | 6.140.807,78 | - | - | **11.451.480,30** |
| **Total** | **2.663.678,70** | **3.547.811,54** | **7.011.661,18** | **15.255.340,94** | **87.350.252,49** | **115.828.744,84** |

| Sums of Financial Year 2009 | Immediately payable | Within Less than 6 months | 6-12 months | 1 - 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Lending | - | 355.410,97 | 532.457,08 | 8.028.155,51 | 94.399.892,21 | **103.315.915,77** |
| Financial Leasing | 165.891,51 | 331.783,02 | 497.674,53 | 1.735.029,25 | 216.945,75 | **2.947.324,06** |
| Suppliers and other liabilities | 3.922.572,59 | 7.161.585,56 | 7.161.585,56 | - | - | **20.961.215,84** |
| **Total** | **4.088.464,10** | **7.848.779,55** | **8.191.717,17** | **9.763.184,76** | **94.616.837,96** | **127.224.455,67** |

**Management of Capital**

Fundamental objective in the Company's capital management is to ensure the maintenance of its high credit rating, as well as of the healthy capital indicators, so as to support and extend the Company's activities and maximize the value of shareholders. The policy of the Company is to maintain the leverage objectives, according to a profile of high level of solvency. The company checks the capital adequacy using the ratio of net lending to operating profitability. Net lending includes interest bearing loans, minus cash and cash equivalents, whilst operating profitability includes pre tax profits/(losses), financial expenses and depreciation of assets.

| | 31st December | |
|---|---|---|
| | **2010** | **2009** |
| Long-term banking Liabilities | 90.000.000,00 | 35.000.000,00 |
| Short-term banking Liabilities | - | 2.924.137,93 |
| Financial leasing Liabilities | 1.949.216,82 | 2.947.324,06 |
| **Total of Lending** | **91.949.216,82** | **40.871.461,99** |
| Minus: Reserves and financial | 8.204.797,83 | 33.270.079,96 |

| | | |
|---|---|---|
| equivalents | | |
| **Net lending** | **83.744.418,99** | **7.601.382,03** |
| **- EBITDA** | **26.653.485,02** | **(28.672.360,38)** |

E. Transactions with affiliated Parties

The Company provides services in its usual activity to certain companies that are being considered affiliated parties.

The transactions of the Company and the account balance with the affiliated parties are reported herein below:

| Name | Relation with the Company | Financial year that expired | Sales to affiliated parties | Purchases by affiliated parties |
|---|---|---|---|---|
| LOGISTICS PPA SA | Affiliated Company | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.790,83 | - |
| NAFSOLP SA | Affiliated Company | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.151,44 | - |
| | **Total** | **31.12.2009** | **-** | **-** |
| | **Total** | **31.12.2010** | **12.942,27** | **-** |

| Name | Relation with the Company | Financial year that expired | Sums owed by the affiliated parties | Sums that are owed to affiliated parties |
|---|---|---|---|---|
| LOGISTICS PPA SA | Affiliated Company | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.790,83 | - |
| NAFSOLP SA | Affiliated Company | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.151,44 | - |
| | **Total** | **31.12.2009** | **-** | **-** |
| | **Total** | **31.12.2010** | **12.942,27** | **-** |

***Wage of members of Administration and Managerial executives:*** During the financial year ended on 31 December 2010 were paid wages and representation allowances to the members of the Board of Directors amounting at a total of 127.739, 83 (31/12/2009: 651.191,33). Also, during the financial year that ended on 31 December 2010 were paid salaries for services offered by Managerial executives amounting to a total of 982.140,63 (31/12/2009: 1.042.589,22).

**G. Distribution of Dividend of Financial Year 2010**

In the financial year 2010, the Company presents net profits amounting at roughly 7 millions, however - because we consider that the Company needs to strengthen its liquidity, in those times where the raising of lending capital is difficult for the shareholders and relatively expensive, it is being proposed the non distribution of a dividend.

**H. Regulation of Internal Organisation and Operation**

The Company proceeded in a radical reformation of the Internal Organisation and Operation Regulation, the application of which started on 02/02/2010. PPA SA under the new simpler organisational structure adapts to the current labour and market, environment improving the efficiency and competitiveness,

The new Organisational structure, although it may need some further improvement, is flexible and with a clear customer oriented focus.

**I. PPA & Environment**

Sound environmental management of its activities constitutes the most important element of PPA's Corporate Social Responsibility. PPA SA sets up and apply a specific policy and strategy for the environment aiming at the prevention of pollution, the continuous monitoring of potential environmental repercussions, the receiving of suitable corrective measures, the evaluation of environmental performance and the continuous environmental improvement of its activities.

In this framework, it has applied a certified system of environmental management according to the European Port Environmental Review System (PERS), whilst it has worked out and applies an environmental regulation of operation, as well as Plans for the Confrontation of Extraordinary Incidents of Marine Pollution, for the waste management of vessels, as well as of the operational waste of installations. At the same time are being materialised programs of monitoring of environmental parameters for the evaluation of quality of the sea, noise and atmospheric environment. Finally, plans are being made for the implementation of planting landscapes and for the energy management of installations and activities.

## STATEMENT OF CORPORATE GOVERNANCE of Law 3873/2010

**I. Principles of Corporate Governing**

The company has established and follows a Code of Corporate Governance, according to law 3873/2010, which is available in the website of the Company in the Address www.olp.gr, through the link "investors information /code of corporate governance".

**II. Practices of Corporate Governance applied by the Company further to the provisions of Law**

The company has established practices of corporate governance that conform with the Law and are being analytically described in the applicable Code of Corporate Governance.

**III. Description of the System of Internal Audit [and management of risks in connection with the preparation of financial statements]**

In the PIRAEUS PORT AUTHORITY S.A. functions an Internal Audit Department that reports directly to the Board of Directors. The head of the Internal Audit Dpt and the Internal Auditors are employees of PPA SA appointed by the Board of Directors, according to article 7 paragraph 3 L. 3016/2002 and they are supervised by the Auditing Committee..

In the framework of their duties, the Internal Auditors collaborate and inform the President of the Board of Directors and the Managing Director of the company on the course of their work, at regular time intervals and in particular whenever it is asked, or when decision-making by the Board of Directors is needed on any subject related to the competence of Internal Audit.

The Board of Directors of the Company supports the Internal Audit in order to:

1. function as an advisor to the Management according to Auditing principles and international standards.
2. function in an objective manner and independently from the audited activities.
3. provide high quality service to all structural levels of the Company with analyses, evaluations and relative proposals.
4. provide assistance to all levels of the administrative and functional structure of the Company and its personnel.
5. have unhindered access to files, resources and in general data of the Company, that is essential for audit implementation.
6. allocate all necessary resources in order to facilitate the Department's work.

In relation to the process of preparation of financial statements, the Company:

A) Appoints, monitors and evaluates the work of external auditors with the contribution of the Auditing Committee.

B) Applies safety measures that, indicatively and not restrictively, include:

- a sufficient segregation of authorities.
- a supervision and approval of all important transactions through the structural hierarchy of the Company.
- a system of appointment of representatives for the realisation of financial transactions of the Company.

- a requirement of existence of at least two signatures for the realisation of any financial transaction.

C) Assigns to Internal Audit Department the evaluation of safety measures relating to the preparation of financial statements.

The Auditing committee of the Company supports the Board of Directors at its exercising of its supervisory responsibilities and mainly in the following sectors:

- Evaluation of the financial statements in relation to their completeness and consistency.
- Follow-up of activities of the Internal Audit Department.
- Ensure the independence of the Certified Auditor Accountants.

The extraordinary General Assembly of the shareholders of the Company of 7/12/2009 has appointed the members of the Auditors Committee of PIRAEUS PORT AUTHORITY SA, as follows:

| FULL NAME | ATTRIBUTE |
|---|---|
| Papadopoulos Georgios | Representative of shareholders, independent non executive member |
| Nakis Nikolaos | Representative of shareholders, independent non executive member |
| Papailias Nikolaos | Representative of shareholders, non executive member |

**IV. Reference to the information elements (c), (d), (f), (g) and (h) of paragraph 1 of article of 10 of the Directive 2004/25/EC**

The above information is included in another part of the Management Report that relates to the additional information of article 4 paragraph 7 of law 3556/2007.

**V. Mode of operation of the General Assembly and rights of shareholders**

The General Assembly of the Company's shareholders is the Governing Body and decides on any matter whatsoever, unless is provided differently in the Law or in the Articles of Association.

The General Assembly is convened by the Board of Directors as a Regular Assembly at least once in each financial year and not later than six (6) months after the expiration of the year and as an extraordinary Assembly whenever it is dictated by the needs of the Company. The Assembly takes place either at the place of domicile of the Company or in another place within the region of domicile of the "Athens Exchange".

The General Assembly also convenes extraordinarily whenever the Board of Directors deems it necessary or when asked by shareholders representing the one twentieth of the share capital or by the Auditors, as well as in the cases provided for by the Law or the articles of Association.

The General Assembly is the responsible Body to decide on:

a) amendments in the articles of Association, including increase or reduction of the share capital. The amendments in the articles of Association are valid, provided that they are not explicitly prohibited in the articles of Association.

b) election of the Board of Directors members and Auditors.

c) approval of the balance-sheet of the Company and exemption of the Board of Directors and of the Auditors from any responsibility and compensation.

d) distribution of annual profits.

e) merger, split, transform, resurgence, extension of term or dissolution of the Company.

f) nomination of liquidators.

Each share provides one vote.

The required quorum and majority for the convention of the General Assembly and the decisions are analytically described in the Company's Articles of Association (article 18).

The Greek State attends the General Assembly as a shareholder and is being represented, according to the provisions of paragraph 2 Article 22 L.2733/1999, as in effect.

The General Assembly, provided a different decision is not reached, is chaired provisionally by the President of the Board of Directors or his deputy or otherwise the participant member of the Board of Directors with the longest term. Secretarial duties are being executed provisionally by the person appointed by the President.

After having approved the list of shareholders having voting rights in the Assembly, the Assembly elects its conclusive President and Secretary.
At least the President of the Company's Board of Directors or the Managing Director or the Deputy Managing Director or the General Manager, as the case may be, as well as the Internal Auditor and the External Auditor will have to attend the General Assembly of shareholders, in order to provide information and briefing on matters of their competence subject to discussion, and on questions or clarifications that are being asked by the shareholders. The President of the General Assembly allocates sufficient time for the submission of questions from the shareholders.
The summary of the minutes of the General Assembly including the results of voting for each decision of the General Assembly, will be made available on the web site of the Company within fifteen (15) days from the date of the General Assembly, translated in English, if the latter is imposed by the shareholder composition of the Company and it is economically feasible.

Participation of Shareholders in the General Assembly
In combination with the provisions of Law 3884/2010, the Company publishes on its website within at least twenty (20) days prior to the General Assembly, in the Greek as well as in the English language, information with regard to:

- the date, the hour and the place that the General Assembly will convene;
- the basic rules and practices of attendance, including the right of introducing subjects in the agenda and the submission of questions, as well as the deadlines within which these rights can be exercised;
- the procedures followed in voting, the terms of representation via a proxy and the forms employed for voting via the latter;
- the proposed agenda of the General Assembly, including drafts of the decisions put to discussion and voting, as well as the accompanying documents;
- the total number of shares and voting rights at the date of convergence.

The remote attendance of shareholders in the general Assembly is possible under the conditions described in the respective legislation.
The General Assembly of the Company should and can be attended by any shareholders enlisted in the records of the institution in which are being kept the mobile assets of the Company (Hellenic Exchange) at the beginning of the fifth day before the day of the Assembly. The exercise of the rights in question does not presuppose the blocking of the shares of the beneficiary, neither any other relevant procedure.
The shareholder, if so wishes, can appoint a representative. Each shareholder may appoint up to three representatives. Legal entities participate by appointing as their representatives up to three persons. The nomination and the revocation of a representative of a shareholder is made in writing and is communicated to the Company, at least three days before the date of the Assembly. The company will provide on the website the forms to be used by the Shareholder for the nomination of his representatives.
The information of article 27 paragraph 3 of Regulatory Law 2190/1920 including the invitation for the exercising of the voting right via a representative, the forms of nomination and revocation of a representative, the drafts of decisions on the subjects of the agenda, as well as more complete information relating to the exercising of rights of the minority of paragraphs 2, 2a, 4 and 5 of article 39 of Regulatory Law 2190/1920 will be made available in electronic form on the web page of the Company.

**VI. Bodies of Administration**

**1. Board of Directors**

The Board of Directors is responsible to decide on any aspect concerning the Administration of the Company, the management of its property and in general the seeking of its objective, without any restriction (with the exception of the subjects that fall under the exclusive competence of the General Assembly) and it represents the Company judicially and extra-judicially. The powers of the Board of Directors are described analytically in the articles of Association of the Company (article 9), that appears on its web page, at the address www.olp.gr at the link "Organization /Association".
1. The Board of Directors is composed of 13 members and is constituted from:
a) Ten (10) members elected by the General Assembly, among whom the Managing Director, who is appointed with the procedure of article 12 of the Articles of Association.
b) One (1) representative of the Municipality in which is located at the domicile of the Company, who is being elected by the General Assembly, the candidature of whom is being indicated by the relevant Municipal Council.
g) Two (2) representatives of the employees, who are being elected by the General Assembly, work therein and come from the two most representative Unions, one representative of the employees and the other of the dockworkers. The candidatures of these persons are indicated by the familiar Union, within a deadline of

one (1) month after a relevant notification from the President of the Board of Directors, following their election by their Unions according to the specific provisions of the relevant legislation.
2. A legal entity might also be a Member of the Board of Directors.
3. The Board of Directors term is five years, except from the term of the Managing Director, the term of whom is independent from that of the remaining members, as it is being defined in article 12 of the Articles of Association. The term of the members of the Board of Directors is extended automatically up to the expiry of the deadline within which an immediate convergence of the Regular General Assembly must take place.
4. The Board of Directors is composed by executive and non executive members. Executive members are considered those members who deal with the daily subjects of administration of the Company, as the Managing Director in particular, his deputy if any and the executive director if any, whilst the non executive members are those involved with the promotion of all corporate issues. The number of the non executive members of the Board of Directors should not be less than 1/3 of the total number of its members, including the independent non executive members.
Independent non executive members are those that are elected by the General Assembly, not in direct relation to the Company or with any entity connected with it and fulfil the additional conditions provided by the relative legislation and the applicable Code of Corporate Governance. The Board of Directors ensures the fulfilment of the conditions of independence from the members that have been elected as independent with the signature of a relative statement.
5. The members of the Board of Directors that have been elected as representatives of employees are considered as non executive members. Exceptionally, they might be appointed as such by the Board of Directors if they simultaneously hold the position of the General Manager or Director or if they act as executives of the Company having been granted a managerial authority by the Board of Directors.
6. The members of the Board of Directors are recalled with the same process that they are being elected. A Member of the Board of Directors who is unjustifiably absent in three consecutive meetings, loses his position and is replaced by a person appointed in accordance to article 7 of the articles of Association.
7. Following the election of its members, the Board of Directors is constituted in a Body, determines the Members of the Board of Directors as executive and non executive members and it appoints:
(a) the President of the Board of Directors, among the non executive members, with the exception of the case of coincidence of President and Managing Director in the same person.
(b) the deputy of the President if any following a proposal and the consent of the President, among the non executive members, unless the Managing Director is appointed as deputy in which case the deputy of the President will be an executive member.
(c) the Managing Director, who is hired according to the procedure of article 12 of the articles of Association as an executive member, except in the case where the General Assembly of the Company decides the assignment of the duties of the Managing Director to the President of the Board of Directors.
(d) the deputy of the Managing Director if any, following a proposal and the consent of the Managing Director, under the condition that the same person can under no circumstances act simultaneously as deputy of the President of the Board of Directors and Managing Director who is an executive member.
(e) optionally, one or more executive directors, among the executive members, with the consent of the Managing Director, and
(f) one up to three non executive members as responsible for the supervision of the internal auditors of the Company. The supervision is also practised by the independent non executive members elected by the General Assembly.
8. With a scope of ensuring the orderly function of the Board of Directors, its members, at the beginning of each calendar year and in the event of election of a new member at the date of his resuming of duty, sign a declaration, in which, they declare their non attendance in the Board of Directors of officially listed Companies, the likely conflict of their own interests with those of the Company, as well as the strict observation of secrets of the Company.

The composition of the Board of Directors during the year 2010 was as follows:

| **NAME** | **ATTRIBUTE** | **BEGINNING OF SERVICE** | **EXPIRY OF SERVICE** |
|---|---|---|---|
| Anomeritis Georgios | Representative of shareholders, President Board of Directors Managing Director, executive member. | 7-12-2009 | 16-6-2014 |
| Moustakis Nikolaos | Representative of shareholders, Substitute Managing Director | 7-12-2009 | 16-6-2014 |

| | | | |
|---|---|---|---|
| | executive member | | |
| Papadopoulos Georgios | Representative of shareholders, independent non executive member | 7-12-2009 | 16-6-2014 |
| Papailias Nikolaos | Representative of shareholders, non executive member | 7-12-2009 | 16-6-2014 |
| Zisimopoulos Aggelos | Representative of shareholders, non executive member. | 7-12-2009 | 16-6-2014 |
| Nakis Nikolaos | Representative of shareholders, independent non executive member | 7-12-2009 | 16-6-2014 |
| Tsiridis Georgios | Representative of shareholders, non executive member | 7-12-2009 | 16-6-2014 |
| Georgiou Vasileios | Representative of shareholders, non executive member | 7-12-2009 | 16-6-2014 |
| Moustaki Eirini | Representative of shareholders, non executive member | 7-12-2009 | 16-6-2014 |
| Korres Alkiviadis | Representative of shareholders, non executive member | 7-12-2009 | 16-6-2014 |
| Balabanidis Efstratios | Representative of employees, non executive member | 7-12-2009 | 6-12-2014 |
| Nouchoutidis Georgios | Representative of dockers, non executive member | 7-12-2009 | 6-12-2014 |
| Fasoulas Panagiotis | Representative of municipality of Piraeus, non executive member | 7-12-2009 | 16-6-2014 |

The Board of Directors convened twenty one (21) times within year 2010 and the meetings were attended by all of its Members, either in person or through representatives.
At the meeting of the Board of Directors of the Company, that took place on 14-2-2011 the following decisions were taken:
I. The replacement of the non executive member of the Board of Directors, representative of the Municipality of Piraeus and former Mayor of Piraeus Fasoulas Panagiotis by the new Mayor of Piraeus Mr. Michaloliakos Vasileios.
II. The replacement of the non executive member of the Board of Directors, representative of dockworkers, Mr. Nouchoutidis Georgios, because of retirement by the present representative of dockworkers Mr. Georgiou Nikolaos.
III. The acceptance of the resignation for personal reasons of the non executive member of the Board of Directors Korres Alkiviadis.

CVs of the members of the Board of Directors are being found on the web page of the Organisation www.olp.gr / The Organisation / The Administration.
The Board of Directors convenes at least once a month, at the domicile of the Company or whenever the needs of the Company necessitate, following an invitation of its President or his deputy. The meeting can also be carried out through videoconference.
The President of Board of Directors determines the subjects of the agenda, chairs the meetings and directs its proceedings.
The Board of Directors is considered in quorum, provided that it is being attended by at least half plus one of the members of board, between whom the President and the Managing Director or their deputies. In establishing of the number of quorum a resulting fraction if any is being omitted.
The decisions of the Board of Directors are taken validly with an absolute majority of the present and represented members.
The subjects that will be included in the agenda of the Board of Directors are notified to the members beforehand, thereby providing them the possibility to formulate their opinions.
The compensations of the members of the Board of Directors are presented in the annual economic report (note 31).
According to the 8th regular Assembly of shareholders of the Company of the 26th of June 2008, the following decisions were made: (a) as from 1-1-2008 the fixed monthly compensation of the members of the Board of Directors in the amount of 700 Euros net, and (b) the reduction as from 1-1-2008 of the additional per meeting

compensation of the members of the Board of Directors of the PPA in the net amount of 300 Euros, with a maximum number of three (3) remunerated meetings per month. The above compensations are reduced by the half, in accordance to the L. 3833& 3845/2010

**2. Managing Director**

The Managing Director heads all the Company departments, directs its work, takes all necessary decisions in the framework of the articles of Association and the provisions that condition its operation with a scope of coping with daily administrative issues.

The Managing Director has the competences that are analytically described in the Company articles of Association (article 12) and any other assigned to him by the Board of Directors.

**3. Administrative Council**

In the Administrative Council participate, as President , the Managing Director and as members his deputy if any, the General Managers, as well as the individual responsible Directors in each particular case as deemed necessary by the Managing Director.

The Administrative Council has the competences that are analytically described in the Statute of Company (article 14).

**Board of Directors Explanatory Report (according to article 4, par7 of Law 3556/2007)**

Share capital structure

Company's share capital amounts to 50.000.000€ and is divided to 25 million registered shares, of a nominal value of €2 each. Each share is entitled to one vote. The Company's shares are listed on the Athens Stock Exchange.

Restrictions in the transfer of the Company's shares

Company's statute does not have special restrictions for share holder rights compared to the respective law principles. By exemption, articles 4 par. 2 and 5 par. 1 of company's statute cite that the minimum participation of Greek State to the equity capital, cannot be less than 51%.

Moreover according to the provisions of article 11 of Law 3631/2008 (Government Gazette A6/29.01.2008), on Societes Anonymes of national and strategic importance, that have or have had monopolistic character, and especially for companies that have in their property or exploit or manage national networks of infrastructures, the acquisition from other shareholder, except the Greek State, or from related entities as described in article 42C of C.L. 2190/1920 or from shareholders that act jointly in a harmonised way, of voting rights of more than 20% of the total share capital, is subject to the approval of the Interministerial Privatization Committee of L. 3049/2002, in accordance to the procedures of this Law.

Significant direct or indirect participations in the sense of L3556 art.9-11.

- Main shareholder of the Company is the Greek State with a 74,14%.
- The Company Lansdowne Partners Limited Partnership, is entitled to exercise on a discretionary basis the voting rights attached to the 1,289,796 shares in Piraeus Port Authority S.A (percentage of indirect voting rights: 5.159 %), held by the following funds: Lansdowne European Equity Fund Limited, Lansdowne European Long Only Fund Limited, Lansdowne European Long Only Fund LP, Lansdowne European Strategic Equity Fund LP. None of these funds holds more than 5% of the voting rights in Piraeus Port Authority S.A.

Holders of any type of shares that provide special rights of audit.

There are no shares of the Company that provide special rights of audit.

Restrictions to voting rights.

There are no restrictions to voting rights deriving from the Company's shares.

Company's Shareholders' agreements.

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of the Company's shares or on the voting rights conferred by its shares.

Rules of appointment and replacement of Board of Directors' members and modification of articles of Association.

In accordance with article 7, par 1 of the company' articles of Association, the Board of Directors consists of thirteen members of which ten (10) members elected by the Company's General Assembly. Between them is also elected the Managing Director, who is appointed, according to article 12 of the Association with a private contract of indefinite duration, after public proclamation of the Company's Board of Directors, except in the case where the General Assembly decides to appoint the duties of Managing Director to the BoD President .

Company's employees appoint 2 representatives as members who are elected by the Company's General Assembly. These representatives come from the two biggest unions, one from the employee's side and one from the dock workers side. They are nominated by the relevant unions within a deadline of one month after a notification from the President of the BoD, following an election process within the unions in accordance to the relative legislation.

One member is appointed from the municipality of Company's headquarters, elected by the Company's General Assembly as nominated by the City Council.

The BoD has a five year term. However Managing Director's term is independent from the rest members of the BoD, in accordance to L3274/2004, article 35 par.13 .

Competency of the Board of Directors or some of its members to issue new shares or purchase own shares.

In accordance with article 5 of the Company's Articles of Association, following the General Shareholders Assembly decision, the share capital can be increased after the modification of Articles of Association and certification of the increase, provided that the minimum participation of Greek State to the equity capital, cannot be less than 51%. With the same decision it is determined the amount of capital increase, the way of cover, the number and the type of shares that will be issued, the nominal value and their offering price , as well as the deadline of cover.

The above competency can be transferred to the Board of Directors following the General Shareholders Assembly decision in accordance to article 13 of C.L. 2190/1920 as it is effective and is subject to the disclosure procedures of article 7b of C.L. 2190/1920. In this case the Board of Directors can increase the share capital with a majority of two thirds (2/3) of its members. The amount of the increase cannot exceed the total amount of the paid-up share capital as of the date of the transfer of this authority to the BoD.

The above BoD authorities can be renewed for a time span that will not exceed the five-year period for each renewal, while their enforcement begins from the expiry of each five-year period.

This decision of the General Assembly falls under the rules of publicity of art. 7b of C.L. 2190/1920 as in force.

Important agreement contracted by the Company, which will enter into effect, will be amended or will expire in case of change in the Company's control following a public offer and the results of this agreement.

There is no such agreement.

Agreements that the Company has contracted with the members of the Board of Directors or with its personnel, which provide for the payment of compensation in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

There are no such agreements.

Piraeus 29 March 2010

The President and Managing Director

Georgios Anomeritis

**THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK**

# INDEPENDENT AUDITOR'S REPORT

**To the shareholders of**
**PIRAEUS PORT AUTHORITY S.A. with the trade title (PPA S.A.)**

**Report on the Financial Statements**
We have audited the accompanying financial statements of the Piraeus Port Authority S.A.with the trade title ''PPA S.A.'' (the "Company") which comprise of the financial position as at December 31, 2010 and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Report on Other Legal and Regulatory Requirements**

(a) The Director's Report includes the statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.
(b) We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements in the context of the requirements of articles 43a, 108 and 37 of C. L. 2190/1920.

Piraeus, March 14th ,2011

PKF
Accountants & business advisers

PKF EUROAUDITING S.A.
**PANNELL KERR FORSTER**
Certified Auditors Accountants
Business Advisers

124 Kifisias
115 26 Athens

SOEL RN: 132

The Certified Auditor Accountant

Charalambos D. Kofopoulos
SOEL RN: 13701

# ANNUAL
# FINANCIAL STATEMENTS
# of
# PPA SA

for the period
January 1st – December 31st , 2010

In accordance with the International Financial Reporting Standards as adopted by the European Union

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

| | Notes | 01.01-31.12.2010 | 01.01-31.12.2009 |
|---|---|---|---|
| Revenues | 23 | 116.720.753,69 | 128.483.428,41 |
| Cost of sales | 24 | (95.939.840,10) | (110.179.853,60) |
| **Gross profit** | | **20.780.913,59** | **18.303.574,81** |
| Administrative expenses | 24 | (20.401.470,68) | (23.337.933,50) |
| Other operating expenses | 25 | (6.726.425,66) | (45.637.675,06) |
| Other income | 25 | 17.362.691,66 | 11.578.246,19 |
| Financial income | 26 | 1.344.975,07 | 1.717.723,61 |
| Financial expenses | 26 | (1.127.089,10) | (949.270,33) |
| **Profit before income taxes** | | **11.233.594,88** | **(38.325.334,28)** |
| Income taxes | 8 | (4.186.382,11) | 4.768.057,01 |
| **Net profit after taxes (A)** | | **7.047.212,77** | **(33.557.277,27)** |
| **Other total comprehensive income after tax (B)** | | - | - |
| **Total comprehensive income after tax (A)+(B)** | | **7.047.212,77** | **(33.557.277,27)** |
| **Profit per share (Basic and diluted)** | 29 | **0,2819** | **(1,3423)** |
| Weighted Average Number of Shares (Basic) | | 25.000.000 | 25.000.000 |
| Weighted Average Number of Shares (Diluted) | | 25.000.000 | 25.000.000 |

**The accompanying notes are an integral part of the Financial Statements**

# STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010

| | Notes | 31.12.2010 | 31.12.2009 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non current assets** | | | |
| Property, Plant and Equipment | 4 | 320.538.678,69 | 287.350.030,66 |
| Intangible assets | 5 | 3.561.908,89 | 149.144,70 |
| Investments in subsidiaries | 7 | 120.000,00 | - |
| Other non-current assets | 6 | 321.161,75 | 317.753,90 |
| Deferred tax assets | 8 | 14.851.330,00 | 16.616.571,95 |
| **Total non current assets** | | **339.393.079,33** | **304.433.501,21** |
| **Current assets** | | | |
| Inventories | 9 | 1.627.559,44 | 1.975.232,31 |
| Trade Receivables | 10 | 19.829.103,21 | 22.922.733,50 |
| Prepayments and other receivables | 11 | 23.607.171,17 | 12.906.075,48 |
| Cash and cash equivalents | 12 | 8.204.797,83 | 33.270.079,96 |
| **Total Current Assets** | | **53.268.631,65** | **71.074.121,25** |
| **TOTAL ASSETS** | | **392.661.710,98** | **375.507.622,46** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 13 | 50.000.000,00 | 50.000.000,00 |
| Other reserves | 14 | 76.688.116,70 | 76.335.756,06 |
| Retained earnings | | 22.316.921,52 | 15.622.069,39 |
| **Total equity** | | **149.005.038,22** | **141.957.825,45** |
| **Non-current liabilities** | | | |
| Long-term borrowings | 19 | 90.000.000,00 | 35.000.000,00 |
| Long-term leases | 18 | 1.339.802,78 | 1.951.975,00 |
| Government grants | 15 | 21.258.653,84 | 10.861.141,95 |
| Reserve for staff retirement indemnities | 17 | 9.084.831,00 | 11.485.080,00 |
| Provisions | 16 | 53.329.373,39 | 60.626.042,12 |
| Deferred income | 22 | 46.779.326,90 | 48.063.023,47 |
| **Total Non-Current Liabilities** | | **221.791.987,91** | **167.987.262,54** |
| **Current Liabilities** | | | |
| Trade accounts payable | | 8.271.823,26 | 38.306.211,09 |
| Short-term borrowings | 19 | - | 2.924.137,93 |
| Short-term leases | 18 | 609.414,04 | 995.349,06 |
| Income tax payable | | 1.531.967,25 | 2.375.620,55 |
| Accrued and other current liabilities | 21 | 11.451.480,30 | 20.961.215,84 |
| **Total Current Liabilities** | | **21.864.684,85** | **65.562.534,47** |
| **TOTAL LIABILITIES AND EQUITY** | | **392.661.710,98** | **375.507.622,46** |

**The accompanying notes are an integral part of the Financial Statements**

## STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

| | Share capital | Statutory reserve | Other reserves | Retained earnings | Total |
|---|---|---|---|---|---|
| **Total Equity as at January 1, 2009** | **50.000.000,00** | **6.341.033,03** | **69.715.059,11** | **51.209.010,58** | **177.265.102,72** |
| Total comprehensive income after income taxes of the period | - | - | - | (33.557.277,27) | (33.557.277,27) |
| Transfer to reserves | - | 279.663,92 | - | (279.663,92) | - |
| Dividends Paid | - | - | - | (1.750.000,00) | (1.750.000,00) |
| | **-** | **279.663,92** | **-** | **(35.586.941,19)** | **(35.307.277,27)** |
| **Total Equity as at December 31, 2009** | **50.000.000,00** | **6.620.696,95** | **69.715.059,11** | **15.622.069,39** | **141.957.825,45** |
| | | | | | |
| **Total Equity as at January 1, 2010** | **50.000.000,00** | **6.620.696,95** | **69.715.059,11** | **15.622.069,39** | **141.957.825,45** |
| Total comprehensive income after income taxes of the period | - | - | - | 7.047.212,77 | 7.047.212,77 |
| Transfer to reserves | - | 352.360,64 | - | (352.360,64) | - |
| | **-** | **352.360,64** | **-** | **6.694.852,13** | **7.047.212,77** |
| **Total Equity as at December 31, 2010** | **50.000.000,00** | **6.973.057,59** | **69.715.059,11** | **22.316.921,52** | **149.005.038,22** |

**The accompanying notes are an integral part of the Financial Statements**

# CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

| | 01.01-31.12.2010 | 01.01-31.12.2009 |
|---|---|---|
| **Cash flows from Operating Activities** | | |
| Profit before income taxes | 11.233.594,88 | (38.325.334,28) |
| | | |
| Adjustments for: | | |
| Depreciation and amortisation | 16.733.068,57 | 10.998.823,31 |
| Amortisation of subsidies | (1.095.292,46) | (577.396,13) |
| | (531.844,00) | - |
| Financial (income)/expenses | (217.885,97) | (768.453,28) |
| Provision for staff retirement indemnities | 2.352.205,47 | 2.598.603,60 |
| Other Provisions | (4.293.421,61) | 48.653.423,71 |
| **Operating profit before working capital changes** | **24.180.424,88** | **22.579.666,93** |
| **(Increase)/Decrease in:** | | |
| Inventories | 347.672,87 | 3.719.318,96 |
| Trade accounts receivable | 1.620.359,67 | (14.301.061,30) |
| Prepayments and other receivables | 791.708,66 | (2.121.346,09) |
| Other long term assets | (3.407,85) | 8.450,00 |
| **Increase/(Decrease) in:** | | |
| Trade accounts payable | (30.034.387,83) | 30.953.737,33 |
| Accrued and other current liabilities | (8.723.735,54) | 36.323.956,95 |
| Deferred income | (1.283.696,57) | - |
| Interest paid | (1.127.089,10) | (949.270,33) |
| Income taxes paid | (4.752.454,47) | (1.908.737,00) |
| Payments for retirement with incentives | (811.356,00) | - |
| Income taxes paid | (2.289.348,17) | - |
| **Net cash from/(used in) Operating Activities** | **(22.085.309,45)** | **74.304.715,45** |
| | | |
| **Cash flow from Investing activities** | | |
| Procceds from subsidies | - | 1.480.000,00 |
| Procceds from the sale of property, plant and equipment | 183.865,00 | 1.199.184,95 |
| Capital expenditure for property, plant and equipment | (54.680.563,59) | (79.466.917,39) |
| | (120.000,00) | - |
| Interest and related income received | 1.344.971,08 | 1.717.723,61 |
| **Net cash used in Investing Activities** | **(53.271.727,51)** | **(75.070.008,83)** |
| | | |
| **Cash flows from Financing Activities** | | |
| Net change in long -term borrowings | 55.000.000,00 | - |
| Net change in short -term borrowings | (2.924.137,93) | (2.924.137,93) |
| Net change in leases | (998.107,24) | (2.895.002,10) |
| Dividends paid | (786.000,00) | (1.750.000,00) |
| **Net cash from/(used in) Financing Activities** | **50.291.754,83** | **(7.569.140,03)** |
| | | |
| **Net increase in cash and cash equivalents** | **(25.065.282,13)** | **(8.334.433,41)** |
| | | |
| **Cash and cash equivalents at the beginning of year** | **33.270.079,96** | **41.604.513,37** |
| | | |
| **Cash and cash equivalents of the end of year** | **8.204.797,83** | **33.270.079,96** |

**The accompanying notes are an integral part of the Financial Statements**

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

## 1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY:

"Piraeus Port Authority S.A" (from now on "PPA S.A." or "Company") was established in 1930 as Civil Law Legal Corporation (C.L.L.C.) by Law 4748/1930, and converted into a Societé Anonyme (S.A.) by Law 2688/1999.

The Company's main activities are ships' anchoring services, handling cargo, loading and unloading services as well as goods storage and car transportation.

The Company is also responsible for the maintenance of port facilities, the supply of port services (water, electric current, telephone connection etc supply), for services provided to travelers and for renting space to third parties.

The Company is subject to supervision by the Ministry of Maritime Affairs, Islands and Fisheries and governed by the principles of Company Law 2190/1920 and the founding Law 2688/1999, as amended by Law 2881/2001.

The Company duration period is one hundred (100) years from the effective date of Law 2688/1999. This period may be extended by special resolution of the shareholders general meeting.

The Company's number of employees at December 31, 2010 amounted to 1.396. At December 31, 2009, the respective number of employees was 1.649.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

### (a) Basis of Preparation of Financial Statements:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.). These financial statements have been prepared under the historical cost.

The preparation of financial statements according to the IFRS requires estimations and assumptions to be made by the management, influencing the assets and liabilities amounts, the disclosure of potential receivable and liabilities as at the financial statement's date, as well as the revenue and expenditure amounts, during the financial period. Actual results may differ from these estimations. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Certain line items of the previous year/period financial statements were reclassified in order to conform to the current period's presentation.

The accounting policies adopted are consistent with those of the financial year ended December 31, 2009..

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The Company has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2010. Their adoption has had no effect on the financial statements of the Company:

- **IFRIC 17** Distributions of Non-cash Assets to Owners
- **IAS 39** Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- **IFRS 2** Company Cash-settled Share-based Payment Transactions (Amended)
- **IFRS 3** Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- **Improvements to IFRSs (May 2008)** All amendments issued are effective as at December 31, 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.
- **Amendments resulting from improvements to IFRSs (April 2009) to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Company**
  - **IFRS 2 Share-based Payment**
  - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**
  - **IFRS 8 Operating Segment Information**
  - **IAS 1 Presentation of Financial Statements**
  - **IAS 7 Statement of Cash Flows**
  - **IAS 17 Leases**
  - **IAS 18 Revenue**
  - **IAS 36 Impairment of Assets**
  - **IAS 38 Intangible Assets**
  - **IAS 39 Financial Instruments: Recognition and Measurement**
  - **IFRIC 9 Reassessment of Embedded Derivatives**
  - **IFRIC 16 Hedges of a Net Investment in a Foreign Operation**

**Standards issued but not yet effective and not early adopted**

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
  The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Company does not expect that the amendment will have impact on the financial position or performance.

- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)**

  The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The Company does not expect that the amendment will have impact on the financial position or performance.

- **IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement**

  The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Company is in process of assessing the impact of the new standard on the financial position or performance.

- **IAS 32 Classification on Rights Issues (Amended)**

  The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The Company does not expect that the amendment will have impact on the financial position or performance.

- **IAS 24 Related Party Disclosures (Revised)**

The revision is effective for annual periods beginning on or after 1 January 2011.This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Company does not expect that the amendment will have impact on the financial position or performance

**In May 2010 the IASB** issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

- **IFRS 1 First-time adoption,** effective for annual periods beginning on or after January 1, 2011.

  This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.

- **IFRS 3 Business Combinations,** effective for annual periods beginning on or after July 1, 2010.

  This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

  Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets.

  Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

- **IFRS 7 Financial Instruments: Disclosures,** effective for annual periods beginning on or after 1 January 2011.

  This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

- **IAS 1 Presentation of Financial Statements,** effective for annual periods beginning on or after 1 January 2011.

  This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

- **IAS 27 Consolidated and Separate Financial Statements,** effective for annual periods beginning on or after 1 July 2010.

  This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

- **IAS 34 Interim Financial Reporting,** effective for annual periods beginning on or after 1 January 2011.

This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and adds disclosure requirements

- **IFRIC 13 Customer Loyalty Programmes,** effective for annual periods beginning on or after 1 January 2011.

  This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

**IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)**

The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment broadly aligns the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Company does not expect that this amendment will have an impact on the financial position or performance, however additional disclosures may be required.

**IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Company does not expect that this amendment will have an impact on the financial position or performance.

**(b) Approval of Financial Statements:**

The Board of Directors of the Company approved the financial statements for the period ended at December 31, 2010, on March 14, 2011. The abovementioned financial statements are subject to the final approval of the General Assembly of the Shareholders.

**(c) Significant Accounting Judgements and Estimates:**

The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

***(i)*** ***Allowance for doubtful accounts receivables***: The Company’s Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

***(ii)*** ***Provision for income taxes:*** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

***(iii)*** ***Depreciation rates:*** The Company’s assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

***(iv)*** ***Impairment of property, plant and equipment***: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

## 3. PRINCIPAL ACCOUNTING POLICIES:

The Company applies the following accounting principles for the preparation of the accompanying financial statements:

***(a)*** **Tangible Assets:** Buildings, technical projects and other building installations are valued at acquisition cost less accumulated depreciation and possible impairment provision. The privately owned land, machinery and other equipment, acquired before PPA's conversion into an S.A., 1.6.1999, were valued at deemed cost, arising by the Evaluation Committee of article 9 C.L. 2190/1920, while these acquired afterwards are valued at acquisition cost less accumulated depreciation and possible value impairment provision

Acquisition cost of a building installation or equipment consists of purchase price including import duties, plus non-refundable purchase taxes as well as any cost required for the asset to become operational. Repairs and maintenance are posted to the financial period in which they were realised. Significant additions and improvements made at a later stage are capitalized in the relevant asset cost

Fixed assets constructed by the Company are posted to the self-construction cost which includes subcontractors' fees, materials and technicians' payroll costs involved in the construction (including relevant employer contributions) as well as part of general administration expenses.

Assets under construction include fixed assets under construction and are stated at their cost. Assets under construction are not depreciated until the fixed assets are complete and operational.

***(b)*** **Depreciation:** Fixed assets are depreciated on a straight line basis according to the following useful lives per fixed asset category:

| Fixed Asset Categories | Useful Life (years) |
|---|---|
| Buildings, technical & port projects | 25-40 |
| Machinery & other equipment | 10-30 |
| Motor Vehicles | 5-12 |
| Floating transportation means | 20-35 |
| Furniture, fixture & fittings | 3-5 |

***(c)*** ***Impairment of assets***: According to IAS36, buildings, facilities, equipment and intangible fixed assets must be evaluated for possible value impairment, when there are indications that the asset's accounting value is over its recoverable amount. Whenever an asset's accounting value is over its recoverable amount, its respective impairment loss is posted to the period financial results. An asset's recoverable value is the greater amount between the estimated net realisable value and the value in use. Net realisable value is considered to be the attainable revenue from the disposal of an asset within the bounds of a mutual transaction, where the parties of this transaction are in full knowledge and willingly accede, reduced by any additional direct distribution cost of the asset. Value in use is the present value of the estimated future cash flow, expected to be accomplished by the constant asset use and its disposal at the end of its estimated useful life. When there is no possibility for a company to estimate the asset's recoverable amount, for which there are indications of value impairment, then it assesses the recoverable amount of the unit (to which the asset belongs) which creates cash flows.

Assets loss impairment reversal entry, accounted for in previous years, is possible only if there are valid indications that this impairment does no longer exist or is decreased. Under these circumstances this reversal entry is recognised as revenue.

***(d)*** **Fixed Asset Subsidies:** Subsidies are considered as accrued income and are recognised as income at the same depreciation rate as the relevant subsidised fixed assets, are depreciated. This income is deducted from the depreciation in the period financial results.

***(e)*** **Intangible Assets:** Intangible assets concern software purchase cost and any expenditure for software development, in order to become operational. Software depreciation is calculated on a straight line basis and its useful life of 3-4 years.

***(f)*** **Borrowing Cost:** The Company has adopted the basic accounting policy suggested by IAS23, until its amendment (May 2008) where the option of immediate charge to the statement of comprehensive income of the total borrowing cost was removed.

***(g)*** ***Financial Instruments:*** Financial assets and liabilities, stated in the balance-sheet, include current cash on hand and in banks, receivable, bank loans and other short-term liabilities. The Company does not use financial instrument derivatives neither for balancing the risk nor for profit purposes. Financial instruments appear as receivable, liabilities or Equity based on the contents of the relevant contracts. Interest, dividends, profit and loss resulting from financial instruments, considered as receivable or liabilities are respectively posted as expenditure or income. Dividend distribution to shareholders is posted directly to Equity. Financial instruments are set off against each other when the Company, according to the Law, has the legal right and intends to set them off or to recover the asset and at the same time set it off against the liability.

***(h)*** **Cash on hand and in banks:** The Company considers as cash (apart from cash on hand) time deposits and liquid investments maturing in three months from the acquisition date.

***(i)*** **Receivable:** Short- term receivable is stated at its nominal value decreased by the provision for doubtful debts. Long- term receivable, receivable at a specific date, was valued at present value applying the discount interest rate method.

***(j)*** ***Expenditure and Risk Provisions***: When the Company has a present legal or presumed commitment as a result of past events, a fund outflow, which incorporates financial benefits, is possible and the relevant commitment amount can be reliably assessed, then provisions are recognised. Provisions are re-examined at the end of each financial period and are adjusted in order to represent the best possible assessments, and when necessary are prepaid at a pre- tax discount rate. Potential liabilities are not posted to the financial statements, but are disclosed, unless the possibility for funds outflow, incorporating financial benefits, is minimum. Potential receivable is not posted to the financial statements, but are disclosed as long as benefit inflow is possible.

***(k)*** ***Income Tax (Current and Deferred):*** Current and deferred income tax assessment is based on the relevant amounts of the financial statements, according to tax Laws effective in Greece. Current income tax concerns tax on the Company taxable profits, adjusted according to Greek tax Law and calculated using the current tax rate. Deferred tax is assessed using the liability method in all temporary tax differences on the balance- sheet date between the tax base and the accounting value of assets and liabilities. The expected tax consequences from the temporary tax differences are assessed and stated either as deferred tax liabilities or as deferred tax assets. Deferred tax assets are posted to the financial statements for all allowable temporary differences and tax losses carried forward as far as it is likely to set off these allowable temporary differences against available taxable profits

The accounting value of deferred tax assets is revised at each balance- sheet date and it is reduced up to the point that it is not likely to have enough taxable profits, where part or all of the deferred tax assets may be set off against. Current income tax receivable and liabilities for current and previous financial years are valued at the amount expected to be paid to Tax Authorities (or be refunded by them), using the tax rates (and tax Laws) in force up to the balance- sheet date.

***(l)*** ***Revenue Recognition:*** All sales income categories are posted to the financial period they concern, while accrued and not invoiced services income is also accounted for at the balance-sheet date. Income is accounted for only if it is possible that financial benefits related to the transaction will inflow to the Company. Rental income is accounted for on a regular basis during the rental period, according to the rental agreement. Interest is accounted for on the accrual basis (taking into account the actual investment return).

***(m)*** ***Inventories:*** Material and spare parts related to the Company mechanical equipment maintenance are valued at the lower of acquisition cost and net realisable value and their cost is determined on the weighted average cost basis. Material is posted to inventories on purchase and recognised as expenditure on consumption.

***(n)*** ***Leases:*** Leases that actually convey to the Company all dangers and benefits relevant to the leased asset are classified as financial leases. Leased fixed assets are capitalized at the beginning of the lease at their fair value or at present value of total minimum finance lease payments, if the latter is lower. Financial lease payments are allocated between financial expenditure and financial liabilities reduction in order to achieve a fixed interest rate for the remaining liability balance. Financial expenditure is debited directly in the period financial results. Capitalized leased fixed assets are depreciated according to their expected useful life.

When the lessor retains all dangers and benefits of fixed asset ownership, then these leases are classified as operational leases. Operational lease payments are recognised as expenditure in the Comprehensive Income Statement on a regular basis during the lease.

***(o)*** ***Employee Benefits:*** According to the collective PPA S.A. employee agreement (article 9 CA/2000 and article 5 CA/2004) the Company must pay retirement allowances to permanent C.L.L.C. employees equal to the total of seven month regular salary. To employees working under employment contract the Company pays either retirement allowance according to previous regulations or indemnity according to Law 2112/20 as these are revised and effective today according to each employee’s previous employment period. The Company pays indemnity to workers in accordance with article 49 Law 993/79 provisions. All the above cases either retirement allowances or indemnity had a top limit of €15.000 which was revised to €25.000.

The above retirement allowance obligations are estimated at their future benefits discount value, which are accumulated at the end of the year, in accordance with the recognition of employee benefit rights during their expected employment life. The above obligations are estimated in conformity with the financial actuarial acknowledgements analysed in Note 17 and are assessed by the actuarial Projected Unit Method. Financial period net indemnity costs are included in the accompanying Comprehensive Income statement payroll costs and consist of benefit present value accrued during the year, interest on benefit obligations, previous employment cost, actuarial profits of losses and any other additional retirement costs. Previous employment costs are regularly recognised on the average employment period until program benefits are realised. Not recognised actuarial profits and losses are recognised on the active employee remaining average employment period and are included as part of the annual net retirement cost, if they exceed 10% of future expected benefit obligations in the beginning of the year. Retirement obligations are not funded.

***(p)*** ***National Insurance Programs:*** The obligation for main or supplementary pension provision is covered by the main National Insurance Department (IKA- Social Insurance Institute) which concerns private sector and provides retirement, medical and pharmaceutical services. Each employee is obliged to contribute part of his salary to the National Insurance Department, while part of the total contribution is paid by the Company. On employee retirement the National Insurance Department is responsible for their pension payments. Therefore, the Company has no legal or presumed obligation for future payments according to this program.

The Company employees are also eligible, on retirement, for a lump sum payment by the Welfare Fund according to the Fund’s statutory regulations and Law 2084/92. For employee welfare, the maximum amount payable is 44,240.00 Euro in conformity with Presidential Decree 389/1998 (Government Press 268A) which specifies as top limit the 11th salary range for higher education employees in public sector. For longshoremen welfare, the payable amount is specified each time based on last decade’s contributions and the employee years of service. Each employee is obliged to contribute part of his salary to the Fund, while part of the total contributions are paid by the Company. Welfare Fund is a C.L.L.C., responsible for the above payments. Therefore, the Company has no legal or presumed obligation for future payments according to this program.

***(q)*** ***Earnings per Share:*** Earnings per share are calculated by dividing the financial period net profit, corresponding to ordinary shareholders, by the weighted average number of ordinary shares issued. The accompanying financial statements did not include any profit decreasing bonds or other stock, convertible to shares. Consequently, diluted earnings per share were not calculated.

***(r)*** ***Segmental Reporting:*** The Company operates as a unified provider of port services at the Port of Piraeus. In this context there was no obligation to prepare and publish financial results by segment, according to the requirements of IFRS 8 “Operating Segments”. As far as geographical districts are concerned, the Company operates in the area of Piraeus and therefore is regarded as one geographical district.

***(s)*** ***Interest- Bearing Loans:*** All loans are initially accounted for at the cost that is the actual loan value less the expenditure related to the loan issue. Afterwards, interest- bearing loans are valued at net book cost on the actual interest rate basis. Net book cost is calculated considering the loan issue expenditure and the difference between the initial and final loan amount. Profits and losses are accounted for at net profit or loss when liabilities are written off or impaired and by depreciation procedure.

***(t)*** ***Dividends:*** Dividends are accounted for when receipt rights are finalised by the resolution of the shareholders general meeting.

***(u)*** ***Concession Agreement:*** In persuasion of the 35th article of 2932/2001 Law, Greek Government and the Company signed on 13.2.2002 the Concession Agreement, by which the government transfers its exclusive right of use and exploitation of port zone lands, buildings and facilities of Piraeus Port to the Company.

This concession was agreed for fixed period, specifically of 40 years initial duration, beginning on the day the agreement was signed and ending on 13.2.2042. It is possible for the initial duration to be extended once or for several times, within Law top limits by a new written agreement and modification of the 4.1 article of the Concession Agreement. With the Common Ministry Decision (CMD) no. 8322/3-12-2008, published in Government Paper 2372/21-11-2008, the Concession Agreement duration is modified from 40 to 50 years, beginning on the 13/2/2002 (initial signature date) and ending on the respective date of the year 2052.

In exchange for the above Concession Greek Government receives 1% of the Company's consolidated annual income for each of the first 3 years of the agreement. The above percentage will increase to 2% of the Company's consolidated annual income after the 3rd year, on the same calculation basis.

The Company most significant obligations arising from this agreement are:
- Constant port rendering services
- Responsibility for the installation, improvement and maintenance of the security level in the Piraeus Port area.
- Ensure fair deal to all port users
- Payment of maintenance expenditure for all the property included in the Concession Agreement

***(v)*** ***Concession Agreement of Piers II and III:*** The N.3755/2009 ratified by the Parliament the concession of use and operation of piers II and III between PPA and Cosco Pacific Ltd. The contract term provided for 35 years at current exchange rates € 4,3 billion, of which 79% guaranteed and will be held investments totaling € 620 million The Concession Agreement entered into force on 1/10/2009 and till 31/5/2010 the operation of Pier II was provided by the PPA SA staff as a subcontractor. Within this period the project in Pier I, which was constructed by PPA SA, was completed and started its operation by providing services directly to P.P.A SA clients.

***(w)*** ***Foreign Currency Conversion:*** The Company operations are all performed in Euro. Transactions made in foreign currencies are converted into Euro using currency rates effective at the transaction date. Receivable and liabilities in foreign currency are adjusted at the financial statements preparation date in order to state the currency rates effective at that date. Gains or losses arising from these adjustments are included in the accompanying Comprehensive Income Statement as foreign exchange gains or losses.

## 4. TANGIBLE FIXED ASSETS

For the year 1/1/2010-31/12/2010:

| | LAND AND BUILDINGS | MACHINERY AND EQUIPMENT | MOTOR VEHICLES | FURNITURE, FIXTURES AND FITTINGS | ADVANCES AND ASSETS UNDER CONSTRUCTION | TOTAL |
|---|---|---|---|---|---|---|
| ***Net Book Value at January 1, 2010*** | 111.556.197,07 | 58.753.859,12 | 10.608.169,16 | 1.233.622,30 | 105.198.183,01 | 287.350.030,66 |
| Additions | 15.525.559,75 | 27.474.376,71 | - | 720.603,79 | 7.243.431,80 | 50.963.972,05 |
| Disposals | 69.709.651,07 | 32.743.867,36 | - | 607.299,59 | (103.452.443,97) | (391.625,95) |
| Depreciations/ Sett off | (16.434,34) | (2.743.914,53) | - | - | (1.517.196,40) | (4.277.545,27) |
| Depreciations | (7.532.693,39) | (7.069.442,16) | (636.985,82) | (798.493,89) | - | (16.037.615,26) |
| Impairment | - | 1.657.721,91 | 191.399,98 | - | - | 1.849.121,89 |
| Depreciation Sett off | 5.368,44 | 1.076.972,13 | - | - | - | 1.082.340,57 |
| ***Net Book Value at December 31, 2010*** | 189.247.648,60 | 111.893.440,54 | 10.162.583,32 | 1.763.031,79 | 7.471.974,44 | 320.538.678,69 |
| ***January 1, 2010*** | | | | | | |
| Cost | 130.716.729,65 | 99.909.599,53 | 15.651.151,53 | 8.106.423,84 | 105.198.183,01 | 359.582.087,56 |
| Accumulated Depreciation | (19.160.532,58) | (39.498.018,50) | (4.222.988,11) | (6.872.801,54) | - | (69.754.340,73) |
| Impairment | - | (1.657.721,91) | (819.994,26) | - | - | (2.477.716,17) |
| Net Book Value | 111.556.197,07 | 58.753.859,12 | 10.608.169,16 | 1.233.622,30 | 105.198.183,01 | 287.350.030,66 |
| ***December 31, 2010*** | | | | | | |
| Cost | 215.935.506,13 | 157.383.929,07 | 15.651.151,53 | 9.434.327,22 | 7.471.974,44 | 405.876.888,39 |
| Accumulated Depreciations | (26.687.857,53) | (45.490.488,53) | (4.859.973,93) | (7.671.295,43) | - | (84.709.615,42) |
| Impairment | - | - | (628.594,28) | - | - | (628.594,28) |
| Net Book Value | 189.247.648,60 | 111.893.440,54 | 10.162.583,32 | 1.763.031,79 | 7.471.974,44 | 320.538.678,69 |

For the year 1/1/2009-31/12/2009:

| | LAND AND BUILDINGS | MACHINERY AND EQUIPMENT | MOTOR VEHICLES | FURNITURE, FIXTURES AND FITTINGS | ADVANCES AND ASSETS UNDER CONSTRUCTION | TOTAL |
|---|---|---|---|---|---|---|
| ***Net Book Value as at 1st January , 2009*** | **101.679.828,90** | **61.591.180,44** | **11.781.335,26** | **1.683.104,27** | **48.281.281,74** | **225.016.730,61** |
| Additions | 13.890.512,51 | 6.797.096,71 | 568.129,52 | 249.654,78 | 77.533.820,31 | 99.039.213,83 |
| Disposals | - | (4.422.948,34) | (451.740,19) | - | (20.616.919,04) | (25.491.607,57) |
| Depreciations (Note 27) | (4.014.144,34) | (5.506.547,46) | (635.904,07) | (699.136,75) | - | (10.855.732,62) |
| Impairment | - | (1.657.721,91) | (819.994,26) | - | - | (2.477.716,17) |
| Reversal Depreciations | - | 1.952.799,68 | 166.342,90 | - | - | 2.119.142,58 |
| ***Net Book Value as at 31st December 2009*** | **111.556.197,07** | **58.753.859,12** | **10.608.169,16** | **1.233.622,30** | **105.198.183,01** | **287.350.030,66** |
| ***1st January 2009*** | | | | | | |
| Cost | **116.826.217,14** | **97.535.451,16** | **15.534.762,20** | **7.856.769,06** | **48.281.281,74** | **286.034.481,30** |
| Accumulated Depreciations | ( 15.146.388,24) | (35.944.270,72) | ( 3.753.426,94) | (6.173.664,79) | - | ( 61.017.750,69) |
| Net Book Value | **101.679.828,90** | **61.591.180,44** | **11.781.335,26** | **1.683.104,27** | **48.281.281,74** | **225.016.730,61** |
| ***31st December 2009*** | | | | | | |
| Cost | 130.716.729,65 | 99.909.599,53 | 15.651.151,53 | 8.106.423,84 | 105.198.183,01 | 359.582.087,56 |
| Accumulated Depreciations | (19.160.532,58) | (39.498.018,50) | (4.222.988,11) | (6.872.801,54) | - | (69.754.340,73) |
| Impairment | - | (1.657.721,91) | (819.994,26) | - | - | (2.477.716,17) |
| Net Book Value | **111.556.197,07** | **58.753.859,12** | **10.608.169,16** | **1.233.622,30** | **105.198.183,01** | **287.350.030,66** |

**Insurance cover of the Piraeus Port Authority (PPA S.A.) tangible fixed assets:** The PPA S.A. tangible fixed assets are insured to various insurance companies up to the 31/3/2011 and a new appeal for proposals has been launched. Insurance cover concerns civil liability of plant and machinery and employer, insurance cover for fire and plant and machinery technical damage. Insurance costs for the year 2010 amounted to € 448.928,22 while for the year 2009 was € 354.940,78.

There are no encumbrances on tangible assets. For fixed assets purchased by lease, ownership is retained by the lessors.

The net book value of purchased in leasing tangible assets at December 31, 2010 and 2009 amounts to € 8.286.200,31 and € 9.706.230,54, respectively, These are vehicles and transport containers (OSME), port-mobile crane, four lifting type DCE90-45E7 and ten tractors type PT122L HD.

## 5. INTANGIBLE FIXED ASSETS

For the year 1/1/2010-31/12/2010:

| | Software |
|---|---|
| **Net Book Value as at 1st January 2010** | **149.144,70** |
| Additions | 3.716.591,54 |
| Transfer from assets under construction | 391.625,95 |
| Depreciation for the year (Note 27) | (695.453,30) |
| **Net Book Value as at 31st December 2010** | **3.561.908,89** |
| 1st January 2010 | |
| Cost | 4.273.796,92 |
| Accumulated Depreciation | (4.124.652,22) |
| **Net Book Value** | **149.144,70** |
| 31st December 2010 | |
| Cost | 8.382.014,41 |
| Accumulated Depreciation | (4.820.105,52) |
| **Net Book Value** | **3.561.908,89** |

For the year 1/1/2009-31/12/2009:

| | Software |
|---|---|
| **Net Book Value as at 1st January 2009** | **289.855,39** |
| Additions | 2.380,00 |
| Depreciation for the year (Note 28) | (143.090,69) |
| **Net Book Value as at 31st December 2009** | **149.144,70** |
| 1st January 2009 | |
| Cost | 4.271.416,92 |
| Accumulated Depreciation | (3.981.561,53) |
| **Net Book Value** | **289.855,39** |
| 31st December 2009 | |
| Cost | 4.273.796,92 |
| Accumulated Depreciation | (4.124.652,22) |
| **Net Book Value** | **149.144,70** |

## 6. LONG TERM ACCOUNTS RECEIVABLE

This account consists of the following:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Guarantees to third parties | 302.557,75 | 290.367,00 |
| Car leases guarantees | 18.604,00 | 27.386,90 |
| **Total** | **321.161,75** | **317.753,90** |

## 7. SUBSIDIARIES

Subsidies in which PPA SA is involved are as follows:

| Subsidiary | Consolidation Method | Participation Relationship | Participation | | Balance | |
|---|---|---|---|---|---|---|
| | | | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| NAFSOLP SA. | [1] | Direct | 100% | - | 60.000,00 | - |
| LOGISTIC OLP A.E. | [1] | Direct | 100% | - | 60.000,00 | - |
| | | | | | **120.000,00** | **-** |

On October 22, 2010 paid by the Company's share capital amount of € 60.000 and € 60.000 respectively of the two subsidiaries under the names "SHIP REPAIR SERVICES SA (with trade title" NAFSOLP SA) and "INTERMODAL TRANSPORT AND LOGISTICS S.A" (with trade title «LOGISTICS OLP SA" The subsidiaries until the date of the financial statements did not start their business.

(1) The Company does not prepare consolidated financial statements because of non-materiality of financial figures of subsidiaries at December 31, 2010. Specifically, the net assets for NAFSOLP SA and LOGISTICS OLP SA amounted to € 164.363,07 and 24557.68, respectively.

## 8. INCOME TAX (CURRENT AND DEFERRED)

In accordance with the tax laws, the corporate tax rate which is effective to the Greek corporations through to December 31, 2010 is 24%. Moreover, the corporate tax rate is gradually reduced. More specifically, the tax rate is reduced to 23% for the fiscal year 2011, 22% for the fiscal year 2012, 21% for the fiscal year 2013 and 20% for the fiscal year 2014 and thereafter

Income taxes reflected in the accompanying statements of comprehensive income are analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Current income taxes | 1.663.655,43 | 1.057.953,71 |
| Deferred income taxes | 1.765.241,95 | (9.068.994,17) |
| Special contribution (L. 3808/2009) | - | 407.020,72 |
| Special contribution (L. 3845/2010) | 257.484,73 | - |
| Tax audit differences posted for years 2003-2008 | - | 2.435.962,73 |
| Provisions for tax audit differences | 500.000,00 | 400.000,00 |
| **Total** | **4.186.382,11** | **(4.768.057,01)** |

With the introduction of Law 3808/2009, a special, one-off contribution was imposed to profitable Greek companies of social responsibility, calculated on the total net income for the year 2008 if that exceeds the amount of € 5 million, based on a progressive scale and had an impact on the results of year 2009.

On May 5, 2010, the Greek Government put in force a Law regarding the exceptional one-off income taxation (L. 3845/2010). According to article 5 an exceptional taxation is applied retroactivly to the net income of fiscal year 2009 and has an impact on the financial statements of the year 2010.

Deferred taxes are defined as timing differences that exist in assets and liabilities between the accounting records and tax records and are calculated by applying the official tax rates.

The reconciliation of income taxes reflected in statements of income and the amount of income taxes determined by the application of the Greek statutory tax rate to pretax income is summarized as follows:

| | 31 Δεκεμβρίου | |
|---|---|---|
| | **2010** | **2009** |
| **Profit/(Loss) pre-tax income** | **11.233.594,88** | **(38.325.334,28)** |
| Local income tax calculated at the nominal applicable tax rate in effect (24%) (2009: 25%) | 2.696.062,77 | (9.581.333,57) |
| Tax effect of non-taxable income and expenses not deductible for tax purposes | 732.834,61 | 4.006.255,84 |
| Special contribution (Law 3845/2010 and 3808/2009) | 257.484,73 | 407.020,72 |
| Income taxes from unaudited tax years | 500.000,00 | 400.000,00 |
| **Income tax reported in the statements of comprehensive income** | **4.186.382,11** | **(4.768.057,01)** |

The movement of the deferred tax asset is as follows:

| | **31/12/2010** | **31/12/2009** |
|---|---|---|
| Beginning balance | 16.616.571,95 | 7.547.577,78 |
| Income taxes [credit/(debit)] | (1.765.241,95) | 9.068.994,17 |
| **Ending balance** | **14.851.330,00** | **16.616.571,95** |

The movement in deferred tax assets/liabilities as at December 31, 2010 and 2009 is as follows:

| | **Financial Position** | | **Comprehensive income** | |
|---|---|---|---|---|
| | **31/12/2010** | **31/12/2009** | **31/12/2010** | **31/12/2009** |
| **Deferred Income Tax Asset/ (liability):** | | | | |
| Capitalised expenditure disallowed | 364.127,14 | - | 364.127,14 | - |
| Depreciation based on the useful life | 1.283.878,71 | 890.585,22 | 393.293,49 | (78.424,85) |
| Write off requirements that do not meet the recognition criteria | 3.874.792,75 | 3.874.792,75 | - | - |
| Staff retirement indemnities | 1.816.966,20 | 2.411.866,80 | (594.900,60) | 1.003.146,69 |
| Provision for disputed claims by third parties | 3.361.082,97 | 4.235.747,48 | (874.664,51) | 3.881.997,48 |
| Provision for Voluntary Retirement | 5.025.808,20 | 4.686.322,59 | 339.485,61 | 4.686.322,59 |
| Other | (875.325,97) | 517.257,11 | (1.392.583,08) | (424.047,74) |
| **Net deferred income tax asset** | **14.851.330,00** | **16.616.571,95** | | |
| **Deferred Taxes to the Statement of Comprehensive Income** | | | **(1.765.241,95)** | **9.068.994,17** |

## 9. INVENTORIES

Inventories in the accompanying financial statements are analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Consumable materials | 1.109.254,75 | 1.351.665,46 |
| Spare parts and equipment | 518.304,69 | 623.566,85 |
| **Total** | **1.627.559,44** | **1.975.232,31** |

The total consumption cost for the period 1/1-31/12/2010 amounted to € 1.375.583,85 while that of the respective period 1/1-31/12/2009 amounted to € 3.012.869,70. There was no inventory devaluation to their net realisable value.

## 10. TRADE RECEIVABLES

This account is analysed in the accompanying financial statements as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Trade Debtors | 37.286.890,18 | 39.598.448,34 |
| **Minus:** Provision for doubtful debts | (17.457.786,97) | (16.675.714,84) |
| | **19.829.103,21** | **22.922.733,50** |

The Company monitors these trade debtors balances and makes provisions for doubtful debts on an individual basis if its recovery is considered unlikely. As a measure of recovery failure the Company is using the age of balance, of the insolvency of the trade debtor and its objective difficulty. As doubtful debts are also considered most of the amounts claimed by the legal department, regardless of the likelihood of recovery of the amount.

The maximum exposure to credit risk without taking account of guarantees and credit guarantees coincide with the trade receivable book value

The Company receives payments in advance for services rendered on an ordinary basis, which are then settled on a regular basis. Each sales ledger account is credited by those payments in advance and debited by invoices of the specific services rendered. These invoices correspond to a credit balance of the payments in advance as at December 31, 2010. Customer payments in advance of € 832.389,15 are stated at liabilities in the account “Accrued and other current liabilities”.

The movement in the allowance for doubtful accounts receivable is analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| **Beginning balance** | 16.675.714,84 | 33.720.247,71 |
| Provision for the year (Note 22) | 1.473.270,62 | 1.778.872,92 |
| Doubtful debts written off | (691.198,49) | (18.823.405,79) |
| **Ending balance** | **17.457.786,97** | **16.675.714,84** |

The ageing analysis of trade receivables is as follows:

| | 31 Δεκεμβρίου | |
|---|---|---|
| | **2010** | **2009** |
| Neither past due nor impaired | 755.713,87 | 990.733,06 |
| Part due not impaired | | |
| 10-90 days | 2.683.221,58 | 2.526.942,64 |
| 90-180 days | 7.758.699,42 | 10.171.574,59 |
| 181-365 days | 5.709.182,21 | 7.484.678,76 |
| >365 days | 3.678.000,00 | 1.748.804,45 |
| **Total** | **19.829.103,21** | **22.922.733,50** |

Trade receivables are-interest bearing and are normally settled on 10 days' terms

The ageing analysis of trade receivables for a period more than one year refers to receivables for which the Company has pursued legal remedies and the Management and the Directorate of Legal Affairs consider they will end in favour of the Company.

## 11. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables in the accompanying financial statements are analysed as follows:

| | **31/12/2010** | **31/12/2009** |
|---|---|---|
| Personnel loans | 734.143,55 | 1.364.708,63 |
| Value Added Tax | 8.934.584,17 | 7.009.883,59 |
| Prepaid Expenses | 474.106,66 | - |
| Other receivable | 1.971.532,44 | 4.531.483,26 |
| Receivables from Grants | 11.492.804,35 | - |
| | **23.607.171,17** | **12.906.075,48** |

***Personnel loans:*** The Company provides interest-free loans to its personnel. The loan amount per employee does not exceed approximately € 3.000 and loan repayments are made by withholding monthly instalments from the employee salaries.

***V.A.T.:*** This V.A.T. amount resulted from the investment costs for the construction and equipment of Pier I.

***Other receivable:*** Other receivable include subsidies demand from Greek Railways (OSE) of € 1.761.200,00, and various third party receivable of € 210.332,44.

***Receivables from Grants:*** The grant amounts to € 11.492.804,35 in the Operational Programme "Improvement of accessibility" of the Ministry of Infrastructure , Transport and Network and in particular, two projects that have been completed and for which the grant is approved, and the payment is expected.

## 12. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the accompanying financial statements are analyzed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Cash in hand | 372.654,30 | 624.787,98 |
| Cash at banks and time deposits | 7.832.143,53 | 32.645.291,98 |
| | **8.204.797,83** | **33.270.079,96** |

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended December 31, 2010, amounted to € 945.992,21 (for the period ended December 31, 2009, € 1.529.602,66) and are included in the financial income in the accompanying condensed financial statements of comprehensive income

## 13. SHARE CAPITAL

The Company's share capital amounts to € 50.000.000, fully paid up and consists of 25.000.000 ordinary shares, of nominal value € 2 each. In the Company's share capital there are neither shares which do not represent Company's capital nor bond acquisition rights.

## 14. RESERVES:

Reserves are analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Statutory reserve | 6.973.057,59 | 6.620.696,95 |
| Special tax free reserve N 2881/2001 | 61.282.225,52 | 61.282.225,52 |
| Untaxed income reserve | 7.704.705,23 | 7.704.705,23 |
| Specially taxed income reserve | 728.128,36 | 728.128,36 |
| | **76.688.116,70** | **76.335.756,06** |

***Statutory reserve:*** Under the provisions of Greek corporate Law companies are obliged to transfer at least 5% of their annual net profit, as defined, to a statutory reserve, until the reserve equals the 1/3 of the issued share capital. The reserve is not available for distribution throughout the Company activity.

***Special tax free reserve Law 2881/2001:*** This reserve was created during the PPA S.A. conversion to a Societé Anonyme. The total Company net shareholder funds (Equity) was valued, by the article 9 Committee of the Codified Law 2190.1920, at € 111.282.225,52, € 50.000.000 out of which was decided by Law 2881/2001 to form the Company share capital and the remaining € 61.282.225,52 to form this special reserve.

***Untaxed or specially taxed income reserve:*** This is interest income which was either not taxed or taxed by withholding 15% tax at source. In case these reserves are distributed, they are subject to tax on the general income tax provision basis.

## 15. INVESTMENT SUBSIDIES:

The movement of the account in the accompanying annual condensed financial statements is analyzed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Initial value | 13.990.000,00 | 12.510.000,00 |
| Government grants received during the period | 11.492.804,35 | 1.480.000,00 |
| Accumulated depreciation | (4.224.150,51) | (3.128.858,05) |
| ***Net Book Value*** | **21.258.653,84** | **10.861.141,95** |

Investment subsidies which have been received up to December 31, 2009 refers to, on the one hand works to meet requirements of the Olympic Games of 2004 (€ 11.400.000,00) and on the other hand in the first two installments of a grant for the construction of infrastructure for the OSE SA port station of € 1.110.000,00 and € 1.480.000,00.

The grant of the current year refers to the operational program “Support Accessibility” of the Ministry of Infrastructure, Transport and Network and in particular, two projects have been completed and have and for which the grant is approved, and the payment is expected.

## 16. PROVISIONS:

Provisions in the accompanying annual financial statements are analyzed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Provisions for legal claims by third parties | 30.178.033,37 | 40.499.698,00 |
| Provision for unaudited tax years | 900.000,00 | 400.000,00 |
| Provision for voluntary retirement | 21.851.340,02 | 17.910.844,12 |
| Provision for retirement with incentives | - | 1.615.500,00 |
| Provision for the deepening of Port | 400.000,00 | 200.000,00 |
| **Σύνολο** | **53.329.373,39** | **60.626.042,12** |

The Company has made provisions for various pending court cases as at December 31, 2010 amounting to € 30.178.033,37 for lawsuits from personnel and other third party.

The Company Management, the Financial Directorate and legal department estimated the probability of negative outcome, as it was estimated from the Directorate of Legal Affairs as well as the probable settlement payments in order to account for this provision. Apart from the above, the Company is involved in (as plaintiff and defendant) various court cases that fall within the scope of its normal activity.

The Company up to 31/12/2008 had made provisions for tax audit differences for unaudited financial years 2003-2008 of € 1.583.155,27. After conducting the tax audit for the financial years 2003 - 2008 additional taxes of € 4.019.118,00 arised while for the respective period a provision was made of € 1.409.097,68. The difference of € 2.435.962,73 was posted to the results of the period concerned.

For the year 2009, the Company has made a provision for € 400.000,00 and additionally € 500.000,00 for the period 1/1-31/12/2010.

The movement of the provision is as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| **Opening balance** | 400.000,00 | 1.583.155,27 |
| Provision for the period | 500.000,00 | 400.000,00 |
| Provision utilised | - | (1.583.155,27) |
| **Closing balance** | **900.000,00** | **400.000,00** |

Based on Laws .3654/2008, 3755/2009 and 3816/2010 the voluntary retirement program was implemented. The number of employees who made use of the above program were 107 persons. The provision amounted to € 17.910.844,12. In the current period the voluntary retirement program was implemented for additional 17 employees and 6 labourers and an additional provision of € 3.940.495,90 was calculated thus on December 31,2010 the total provision amounted to € 21.851.340,02.

Provision of € 200.000,00 refers to an obligation by the concession agreement of the Piers II and III for the deepening of the Port.. The provision for the year ended December 31, 2010 was the same amount.

As at December 31, 2009 a provision was recorded, amounting € 1.615.500,00, refers to incentives for retirement under the 245/14-12-2009 Board of Directors decision, which affects 66 people. Up to December 31, 2010 all employees for which the provision had been made retired from service.

The movement of the provision is as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| **Opening balance** | 1.615.500,00 | - |
| Provision for the period | - | 1.615.500,00 |
| Provision utilised | (1.615.500,00) | - |
| **Closing balance** | **-** | **1.615.500,00** |

## 17. RESERVE FOR STAFF LEAVING INDEMNITES:

The provision for staff leaving indemnity was determined through an actuarial study.

The following tables show the composition of net expenditure for the provision recorded in the results of the periods ended December 31, 2010 and 2009 and the movement of the provisional accounts prepared for indemnities shown in the accompanying balance sheets for the period ended December 31 2010 and the year ended December 31, 2009.

The reserve for staff leaving indemnities recognized to the period's Statement of Comprehensive Income is as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Current employment and financial cost | (2.400.249,00) | 4.776.889,00 |

The provision for both years was compared using the increase in the retirement allowance from € 15.000 to € 25.000.

The relevant provision movement for the financial year ended on December 31, 2010 and the financial year ended the 31st of December 2009 is as follows:

| | |
|---|---|
| **Liability in Balance Sheet 1.1.2009** | **6.708.191,00** |
| Current cost of Employment 2009 | 588.820,00 |
| Interest cost on liability 2009 | 335.410,00 |
| Actuarial (gains)/loss | 5.761.396,00 |
| Benefits paid | (1.908.737,00) |
| **Liability in Balance Sheet 31.12.2009** | **11.485.080,00** |
| Current cost of Employment 2010 | 491.756,00 |
| Interest cost on liability 2010 | 574.254,00 |
| Actuarial (gains)/loss | 1,286.195,00 |
| Benefits paid | (4.752.454,00) |
| **Liability in Balance Sheet 31.12.2010** | **9.084.831,00** |

The principal actuarial assumptions used are as follows:

| | |
|---|---|
| 1. Average annual growth rate of long-term inflation | 2% |
| 2. Discount Rate | 5% |

## 18. FINANCE LEASE OBLIGATIONS:

1. In 2005, the Company acquired by finance lease the following assets: One (1) new port automotive crane type HMK 300K 100T worth € 2.787.000,00. The finance lease duration is ten years and at the end PPA S.A. has the right to buy this asset at the price of € 100,00.
2. In July 2007 PPA S.A. entered into a finance lease contract (sale and lease back of fixed assets) amounted to € 1.508.370,08 that is:

   Four (4) Forklift trucks type DCE90-45E7 net book value of € 739.670,08.

   Ten (10) Terminal tractors type PT122L HD worth € 768.700,00.

   The finance lease duration is five years and at the end the Company has the right to buy these assets at the price of € 1,00.

More specific the finance lease obligations are analyzed to the following table:

| | **31/12/2010** | **31/12/2009** |
|---|---|---|
| Finance lease obligations | 1.949.216,82 | 2.947.324,06 |
| Minus: Short term | (609.414,04) | (995.349,06) |
| **Long term** | **1.339.802,78** | **1.951.975,00** |

Future minimum payments for leases, compared to the present value of net minimum payments at December 31, 2010 and 2009 are as follows:

| | 31 Δεκεμβρίου 2010 | | 31 Δεκεμβρίου 2009 | |
|---|---|---|---|---|
| | **Minimum Payments** | **Present Value of Payments** | **Minimum Payments** | **Present Value of Payments** |
| Up to the a year | 651.164,31 | **609.414,04** | 1.042.771,16 | **995.349,06** |
| From one year up to five years | 1.396.734,75 | **1.339.802,78** | 1.818.063,28 | **1.735.029,25** |
| More than five years | - | **-** | 218.423,05 | **216.945,75** |
| **Total minimum lease payments** | **2.047.899,06** | **1.949.216,82** | **3.079.257,49** | **2.947.324,06** |
| Minus: | | | | |
| Amounts are financial costs | (98.682,24) | | (131.933,43) | |
| **Present Value of minimum lease payments** | **1.949.216,82** | **1.949.216,82** | **2.947.324,06** | **2.947.324,06** |

## 19. LONG-TERM LOANS:

The “Long term loans” as at December 31, 2010 and December 31, 2009 respectively are as follows:

| | December 31, | |
|---|---|---|
| | **2010** | **2009** |
| Total of Long term loans | 90.000.000,00 | 37.924.137,93 |
| Minus: | | |
| Short term portion of Long term loans | - | 2.924.137,93 |
| **Long term portion** | **90.000.000,00** | **35.000.000,00** |

The account balance of “Long term loans” concerns the following loans between the Company and the European Investment Bank:

**1.** A loan issued in 1996 of € 29.200.000,00 for the West part of Peer II of the Container Terminal construction in N. Ikonio.

The loan repayment was made in ten (10) annual consecutive installments, beginning on September 15, 2001 and ended on September 15, 2010. The tenth installment amounted to € 2.924.137,93 was paid up on September 15, 2010.

**2.** Loan of € 35.000.000,00 for the construction of Container Terminal Pier I,issued on the 30/7/2008.
The repayment of the loan will be in thirty (30) semi-annual installments, payable from December 13, 2013 up to and including June 15, 2028. The loan bears a floating interest rate, interest payable quarterly.

From this contract there are obligations and restrictions for the company, the most important of which are summarized as follows: (i) to submit the annual and half-year financial report within 1 month of publication, audited by a recognized firm of certified auditors, accompanied each time by Certificate of Compliance for the years 2011 and 2012 and the annual financial report within 1 month of publication, for the rest of the fiscal yeras until the end of the contract, and (ii) to hold throughout the duration of the loan and until fully repaid the loan, the following economic ratios, calculated on annual financial statements, audited by certified auditors, for each financial year, for the duration of the loan.

The agreement for the financial ratios is as follows:

1. EBITDA [Profit / (loss) before interest, taxes depreciation and amortization] / Interest, more than or equal to 3.
2. Total net bank debt / EBITDA [Profit / (loss) before interest, taxes depreciation and amortization] less than or equal to 4.25.
3. Total shareholders' equity greater than or equal to 140 million

**3**. Loan of € 55.000.000,00 for the construction of Container Terminal Pier I issued on the 10/02/2010.
The repayment of the loan will be in thirty (30) semi-annual instalments, payable from 15 December 2015 up to and including 15 June 2029. The loan bears a floating interest rate, interest payable quarterly.

From this contract there are obligations and restrictions for the company, the most important of which are summarized as follows: (i) to sybmit annual and half-yearly financial report within 1 month of publication, audited by a recognized firm of certified accountants, accompanied each time by Certificate of Compliance for the years 2011 and 2012 and the annual financial report within 1 month of publication, for the rest of the fiscal years until the end of the contract, and (ii) to hold throughout the duration of the loan and until full repayment of the loan, the following economic indicators, which are calculated on annual financial statements audited by certified auditors, for each financial year for the duration of the loan.

The agreement concerninf the financial ratios is as follows:

1. EBITDA [Profit / (loss) before interest, taxes depreciation and amortization] / Interest greater than or equal to 3.
2. Total net bank debt / EBITDA [Profit / (loss) before interest, taxes depreciation and amortization] less than or equal to 4.25.
3. Current assets / current liabilities greater than or equal to 1.2.
4. Total shareholders' equity greater than or equal to 140 million

Total interest expenses on long-term loans for the periods ended December 31, 2010 and 2009, amounted to € 947.636,51 and € 714.683,18 respectively and are included in financial expenses, in the accompanying interim condensed financial statements of comprehensive income.

As at 31 December 2010 and according to the results of fiscal year 2010 the Company was in compliance with the above economic indicators.

## 20. DIVIDENDS:

According to Greek Trade Law, the Companies are required to distribute every year dividends calculated at least as 35% of their net annual profit after taxes. This requirement does not apply if decided by the general meeting by holders of at least 70% of the paid up share capital.

Moreover, no dividend can be distributed to shareholders, if Company Equity reported in financial statements is or will be after the distribution, less than the paid-up capital plus non distributable (retained) reserves.

***Proposal for distribution of dividend for the year 2010:*** For the year 2010, the Board of Directors has not proposed a dividend to be distributed.

## 21. ACCRUED AND OTHER CURRENT LIABILITIES:

This account is analysed in the accompanying financial statements as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Taxes payable (except Income taxes) | 822.437,93 | 2.470.098,47 |
| National insurance and other contribution | 1.836.871,37 | 3.090.604,38 |
| Other short term liabilities | 7.764.395,12 | 10.026.002,20 |
| Customer advance payments | 832.389,15 | 5.356.761,41 |
| Accrued expenses | 195.386,73 | 17.749,38 |
| | **11.451.480,30** | **20.961.215,84** |

***Taxes Payable:*** Current period amount consists of: a) Employee withheld income tax € 601.058,40 and b) other third party taxes € 221.379,53.

***Insurance and Other Contributions:*** This amount mainly consists of employer contribution to insurance funds and is analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| National Insurance Contributions (IKA) | 1.399.559,34 | 2.454.590,21 |
| Insurance Contributions to Supplementary Funds | 318.899,89 | 361.930,21 |
| Other Insurance Contributions | 118.412,14 | 274.083,96 |
| | **1.836.871,37** | **3.090.604,38** |

***Other short- term liabilities:*** The amounts below are analysed as follows:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Salaries Payable | 746.660,11 | 738.907,71 |
| Concession Agreement Payment | 2.050.733,97 | 2.462.716,47 |
| Other contribution payable to (TAPAEL, NAT etc.) | 388.101,57 | 394.438,76 |
| Other Third Party Short-term obligations | 3.774.899,47. | 4.839.939,26 |
| Greek State committed dividends | 804.000,00 | 1.590.000,00 |
| | **7.764.395,12** | **10.026.002,20** |

## 22. ACCRUED INCOME

α) On 27/4/2009 an amount of € 50.000.000,00 was paid by PCT SA, as a initial consideration instalment payment, for the concession of Piers II and III of the PPA SA Container Terminal (N.3755/2009). On the above amount, € 2.930.211,41 offset the cost of licensed supplies and spare parts, while the rest of € 47.069.788,59 is amortized over the concession. The concession is for an initial term of thirty (30) years, which may be increased to thirty-five (35) years, when completed by PCT SA the construction of the east side of Pier III Following the transfer of € 1.344.851,10 on revenue of the year, the new balance amounted to € 46.718.172,37.

β) Amount of € 941.148,00 and € 388.299,66 refers to income from the fixed annual concession I and II for the year 2010.

| | 2010 | 2009 |
|---|---|---|
| **Opening balance** | **48.063.023,47** | **50.000.000,00** |
| Concessed Supplies & Parts | - | (2.930.211,41) |
| Revenue transferred to current year | (1.344.851,10) | (336.212,78) |
| Fixed Annual Consideration I + II * | 61.154,53 | 1.329.447,66 |
| **Closing Balance** | **46.779.326,90** | **48.063.023,47** |

* Fixed Annual Consideration I + II amount € 61.154,53, resulting from the reversal of the previous year amount of € 1.329.447,66 and the entry of the current year amount € 1.390.602,19.

## 23. SALES:

Sales s are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Revenue from: | | |
| Loading and Unloading | 19.715.872,73 | 45.925.297,48 |
| Storage | 5.869.747,06 | 20.844.417,40 |
| Various port services | 46.792.568,28 | 44.987.535,71 |
| Revenue from concession agreement Pier II+III | 23.218.428,83 | 4.500.701,70 |
| Other income from Concession | 3.094.645,29 | 1.355.812,31 |
| Services at the Pier II (SEP) | 18.029.491,50 | 10.869.663,81 |
| **Total** | **116.720.753,69** | **128.483.428,41** |

The amounts of the two financial years for handling and storage are not comparable, because the PPAS's Container Terminal operated the first 9 months in 2009 and for 7 months Iin 2010.

Provision of services to Pier II refers to a fee to PPA SA from the PCT.S.A. using the staff available for the operation of Pier II, the period 01/01 to 31/05/2010 and 15/10 to 31/12/2009, respectively.

## 24. ANALYSIS OF EXPENSES:

Expenses (cost of sales and administrative expenses) in the accompanying financial statements are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Payroll and related costs (Note 28) | 75.830.857,52 | 91.655.398,36 |
| Third party services | 13.680.715,71 | 14.520.504,20 |
| Third party fees | 1.580.971,51 | 2.306.564,43 |
| Depreciation- Amortization (Note 27) | 15.637.776,10 | 10.421.427,18 |
| Taxes and duties | 345.952,05 | 245.975,07 |
| General expenses | 6.416.183,42 | 6.536.393,29 |
| Cost of sales of inventory and consumables | 1.375.583,85 | 6.052.651,65 |
| Provisions | 1.473.270,62 | 1.778.872,92 |
| **Total** | **116.341.310,78** | **133.517.787,10** |

The provisions are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Provision for doubtful receivables | 1.473.270,62 | 1.778.872,92 |
| | **1.473.270.62** | **1.778.872,92** |

The above expenses are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Cost of sales | 95.939.840,10 | 110.179.853,60 |
| Administrative expenses | 20.401.470,68 | 23.337.933,50 |
| **Total** | **116.341.310,78** | **133.517.787,10** |

## 25. OTHER OPERATING INCOME / EXPENSES:

### OTHER OPERATING INCOME:

The amounts are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Rental income | 4.742.833,27 | 5.735.464,38 |
| Consumables and Spare Parts sale to PCT | - | 2.930.211,41 |
| Profit of disposal of fixed assets | 540.476,72 | - |
| Revenue from unused provisions | 10.513.064,61 | - |
| Various operating income | 1.566.317,06 | 2.912.570,40 |
| **Σύνολο** | **17.362.691,66** | **11.578.246,19** |

Revenue from unused provisions mainly refer to the reversal of provision for pending lawsuits totaling €10.32mil. of which: €1,0 million from a waiver of appeal by the adverse party at the CoE, €1,3mil. from a vindication of the Company by an Administrative Court of Appeal decision on a previous Competition Commission decision, and €5,5mil. from a reduction in the amount of provisions from pending lawsuits at the claimed amount of capital, less interest and penalties, because Management and Directorate of Legal Services consider that will end in favour of the Company.

Rental income concerns land and building rents.

***Minimum Future Rents:*** The minimum future rental income receivable, arising from the existing rental agreements are as follows:

| | 31 Δεκεμβρίου | |
|---|---|---|
| | **2010** | **2009** |
| Within 1 year | 4.248.543,91 | 2.766.948,46 |
| Between 1-5 years | 2.600.303,63 | 3.767.439,16 |
| Over 5 years | 5.948.260,33 | 7.779.729,80 |
| **Total** | **12.797.107,87** | **14.314.117,42** |

**OTHER OPERATING EXPENSES:**

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Third parties compensation | 196.938,57 | 534.955,42 |
| Research and development cost | 299.439,00 | 77.000,00 |
| Third party indemnity payment | 246.174,48 | - |
| Provision for doubtful receivables | - | 19.763.737,42 |
| Provision for voluntary retirement | 3.940.495,90 | 19.526.344,12 |
| Provision for the deepening of Port (Aggrement PCT) | 200.000,00 | 200.000,00 |
| Impairment of assetst | - | 2.477.716,17 |
| Custom duties | 201.866,40 | - |
| Losses on sale of fixed assets | 8.632,72 | 2.595.343,60 |
| Other expenses | 1.632.878,59 | 462.578,33 |
| **Total** | **6.726.425,66** | **45.637.675,06** |

The account "Other expenses" includes an amount of € 1.517.196,40, which refers to non-receipt of compulsory expropriation of Piraus Ring Road..

## 26. FINANCIAL INCOME/ (EXPENSES):

The amounts are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Interest income and related financial expenses | 1.151.356,22 | 1.529.602,66 |
| Interest expense and related financial income | (1.127.089,10) | (949.270,33) |
| | **24.267,12** | **580.332,33** |
| Credit Interest | 193.618,85 | 188.120,95 |
| **Total** | **217.885,97** | **768.453,28** |

## 27. DEPRECIATION:

The amounts are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Depreciation of property, plant and equipment | 16.037.615,26 | 10.855.732,62 |
| Software depreciation | 695.453,30 | 143.090,69 |
| Depreciation of fixed assets received under Fixed assets subsidies depreciation | (1.095.292,46) | (577.396,13) |
| **Total** | **15.637.776,10** | **10.421.427,18** |

## 28. PAYROLL COST:

The amounts are analyzed as follows:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| Wages and salaries | 59.124.190,59 | 70.266.871,46 |
| Employer contribution | 12.114.761,49 | 13.273.218,44 |
| Other staff costs | 1.428.343,97 | 1.429.682,85 |
| Staff leaving indemnities | 5.563.810,47 | 1.908.736,61 |
| Provision for staff leaving indemnities | (2.400.249,00) | 4.776.889,00 |
| **Total** | **75.830.857,52** | **91.655.398,36** |

## 29. EARNINGS PER SHARE:

| | 1/1-31/12/2010 | 1/1-31/12/2009 |
|---|---|---|
| **Profit /(Loss) for the year** | 7.047.212,77 | (33.557.277,27) |
| Weighted number of shares | 25.000.000 | 25.000.000 |
| **Basic Earnings/ (Loss) per share** | **0,2819** | **(1,3423)** |

## 30. COMMITMENTS AND CONTINGENT LIABILITIES

***(a) Financial Years not audited by the Tax Authorities:*** Financial years 2010 and 2009 have not been audited by the Tax Authorities. In a possible future tax audit, the Tax Authorities may disallow certain expenditure, thus increasing the Company taxable income and imposing additional taxes, penalties and surcharges. The provision for the tax audit differences for the financial years not audited by the Tax Authorities is assessed at € 900.000,00.

***(b) Liabilities arising from letters of Guarantee:*** The Company has issued letters of guarantee amounting to € 14.562.155,77 (December 31, 2009: € 13.280.614,78), of which € 12.262.155,77 (December 31, 2009: € 10.980.614,78) in favour of the General Directorate of Customs (E 'and F' Customs Office) of the Ministry of Economy for the operation of all warehouses for temporary storage of goods PPA S.A.

***(c) Operating leases:*** The Company has entered into commercial operating lease agreements for the lease of transporatation means. These lease agreements have an average life of 3 to 5 years with renewal terms included in certain contracts. Future minimum rentals payable under non-cancellable operating leases as at December 31, 2010 and at December 31, 2009, are as follows:

| | 31 Δεκεμβρίου | |
|---|---|---|
| | **2010** | **2009** |
| Within one year | 85.377,00 | 106.373,00 |
| 2-5 years | 15.653,00 | 101.030,00 |
| Over 5 years | - | - |
| **Total** | **101.030,00** | **207.403,00** |

***(d) Contractual commitments* :** The outstanding balance of the contractual commitments for the Company amounted to approximately € 20,1 million.

## 31. RELATED PARTIES

The Company provides services to certain related parties in the normal course of business. The Company's transactions and account balances with related companies are as follows:

| Related party | Relation with the Company | Year ended | Sales to related parties | Purchases from related parties |
|---|---|---|---|---|
| LOGISTICS P.P.A. S.A. | Subsidiary | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.790,83 | - |
| NAFSOLP S.A. | Subsidiary | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.151,44 | - |
| | **Total** | **31.12.2009** | **-** | **-** |
| | **Total** | **31.12.2010** | **12.942,27** | **-** |

| Related party | Relation with the Company | Year ended | Amounts due from related parties | Amounts due to related parties |
|---|---|---|---|---|
| LOGISTICS P.P.A. S.A. | Subsidiary | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.790,83 | - |
| NAFSOLP S.A. | Subsidiary | 31.12.2009 | - | - |
| | | 31.12.2010 | 6.151,44 | - |
| | **Σύνολα** | **31.12.2009** | **-** | **-** |
| | **Σύνολα** | **31.12.2010** | **12.942,27** | **-** |

***Board of Directors Members Remuneration:*** During the year ended on the December 31, 2010, remuneration and attendance costs, amounting to € 127.739,83 (31/12/2009: € 651.191,33) were paid to the Board of Directors members. Furthermore during the year ended December 31, 2010 emoluments of € 982.140,63 (31/12/2009: € 1.042.589,22) were paid to Managers/Directors for services rendered .

## 32. FINANCIAL INSTRUMENTS

**Fair Value:** The carrying amounts reflected in the accompanying sheets of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.
The fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position.

**Credit Risk:** There is no significant credit risk for the Company towards the contracting parties, since it receives advance payments or letters of guarantee from customers.

**Foreign Exchange Risk:** The Company is neither involved in international trade nor has any long term loans in foreign currency and therefore is not exposed to foreign exchange risk resulting from foreign currency rate variations.

**Interest rate risk:** The Company bank loans are expressed in Euro and are subject to floating interest rates. The Company does not use derivatives in financial instruments in order to reduce its exposure to interest rate risk fluctuation as at the balance-sheet date. The Company management believes that there is no significant risk resulting from a possible interest rate fluctuation.

The table below presents and analyzes the sensitivity of the result in relation to financial assets (cash on hand and in banks) and financial liabilities (loans) of the Company to the interest rate risk changes assuming a simultaneous change in interest rates by ± 100 basis points.

| 2010 | | Interest rate risk | |
|---|---|---|---|
| **Financial assets** | Accounting values | +100bips(Euribor) | -100bips(Euribor) |
| Cash and cash equivalents | 8.204.797,83 | 82.047,98 | (82.047,98) |
| Effect before income tax | | 82.047,98 | (82.047,98) |
| Income tax 24% | | (19.691,51) | 19.691,51 |
| Net effect | | 62.356,46 | (62.356,46) |
| **Financial liabilities** | | | |
| Long term loans | (91.949.216,82) | (919.492,17) | 919.492,17 |
| Effect before income tax | | (919.492,17) | 919.492,17 |
| Income tax 24% | | 220.678,12 | (220.678,12) |
| Net effect | | (698.814,05) | 698.814,05 |
| **Total net effect** | | (636.457,58) | 636.457,58 |

| 2009 | | Interest rate risk | |
|---|---|---|---|
| **Financial assets** | Accounting values | +100bips(Euribor) | -100bips(Euribor) |
| Cash and cash equivalents | 33.270.079,96 | 332.700,80 | (332.700,80) |
| Effect before income tax | | 332.700,80 | (332.700,80) |
| Income tax 24% | | (83.175,20) | 83.175,20 |
| Net effect | | 249.525,60 | (249.525,60) |
| **Financial liabilities** | | | |
| Loans | (40.871.461,99) | (408.714,62) | 408.714,62 |
| Effect before income tax | | (408.714,62) | 408.714,62 |
| Income tax 24% | | 102.178,65 | (102.178,65) |
| Net effect | | (306.535,96) | 306.535,96 |
| **Total net effect** | | (57.010,37) | 57.010,37 |

**Liquidity risk:** The effective management of liquidity risk by ensuring maintenance of adequate cash reserves and a possibility for funding if necessary. Corporate liquidity risk management is based on rationale management of working capital and cash flows.

The following table summarizes the maturities of financial liabilities December 31, 2010 and 2009, respectively, under the relevant contracts to non-discounted prices.

| Amounts of fiscal year 2010 | Directly payable | Less than 6 months | 6-12 months | 1 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | - | 596.110,69 | 566.146,38 | 13.915.538,16 | 87.350.252,49 | **102.428.047,72** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Leases | 101.569,00 | 203.138,02 | 304.707,02 | 1.339.802,78 | - | **1.949.216,82** |
| Trade and oher payables | 2.562.109,70 | 2.748.562,83 | 6.140.807,78 | - | - | **11.451.480,30** |
| **Total** | **2.663.678,70** | **3.547.811,54** | **7.011.661,18** | **15.255.340,94** | **87.350.252,49** | **115.828.744,84** |

| **Amounts of fiscal year 2009** | **Directly payable** | **Less than 6 months** | **6-12 months** | **1 to 5 years** | **>5 years** | **Total** |
|---|---|---|---|---|---|---|
| Borrowings | - | 355.410,97 | 532.457,08 | 8.028.155,51 | 94.399.892,21 | **103.315.915,77** |
| Leases | 165.891,51 | 331.783,02 | 497.674,53 | 1.735.029,25 | 216.945,75 | **2.947.324,06** |
| Trade and oher payables | 3.922.572,59 | 7.161.585,56 | 7.161.585,56 | - | - | **20.961.215,84** |
| **Total** | **4.088.464,10** | **7.848.779,55** | **8.191.717,17** | **9.763.184,76** | **94.616.837,96** | **127.224.455,67** |

**Capital Management**

The primary objective of the Company's capital management is to ensure the maintenance of high credit rating, and healthy capital ratios in order to support and expand the Company's operations and maximize shareholder value. The Company's policy is to maintain leverage targets, according to an investment grade profile. The Company monitors capital adecuaty using the ratio of net debt to operating profits. The net debt includes interest-bearing loans, less cash and cash equivalents, while the operating profit including profit/ (loss) before taxes, financing costs and depreciation.

| | **December, 31** | |
|---|---|---|
| | **2010** | **2009** |
| Long-term borrowings | 90.000.000,00 | 35.000.000,00 |
| Short-term borrowings | - | 2.924.137,93 |
| Leases | 1.949.216,82 | 2.947.324,06 |
| **Total Debt** | **91.949.216,82** | **40.871.461,99** |
| Less : Cash and cash equivalents | 8.204.797,83 | 33.270.079,96 |
| **Net Debt** | **83.744.418,99** | **7.601.382,03** |
| **- EBITDA** | **26.653.485,02** | **(28.672.360,38)** |

## 33. SUBSEQUENT EVENTS:

There are no significant events subsequent to December 31, 2010 affecting the financial position of the Company or to require disclosure to the Financial Statements.

March 14, 2011

| PRESIDENT OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR | DEPUTY MANAGING DIRECTOR | FINANCIAL DIRECTOR |
|---|---|---|

| | | |
|---|---|---|
| GEORGIOS ANOMERITIS | NIKOLAOS MOUSTAKIS | EKATERINI VENARDOU |
| I.D AZ 553221 | I.D. L373780 | License No. O.E.E. 0003748<br>A' Class |

# INFORMATION OF THE ARTICLE 10 OF THE LAW 3401/2005

The Company published to press the following information of article 10, Law 3401/2005 and made them available to public during the financial year 2010. Information is uploaded both in the official web site of ASE www.ase.gr and in the company's as following:

| Description | Τόπος Καταχώρησης | Date |
|---|---|---|
| Comments on Nine Month Financial Statements 2010 | www.ase.gr<br>w ww.olp.gr | 29/11/2010 |
| Comments on Six Month Financial Statementes 2010 | www.ase.gr<br>www.olp.gr | 30/8/2010 |
| Resolutions of the General Assembly of shareholders. | www.ase.gr<br>www.olp.gr | 30/6/2010 |
| Invitation to General Meeting of shareholders | www.ase.gr<br>www.olp.gr | 2/6/2010 |
| Presentation of PPA S.A at the Institutional Investors Association | www.ase.gr<br>www.olp.gr | 26/5/2010 |
| Comments on first quarter financial statements 2010 | www.ase.gr<br>www.olp.gr | 25/5/2010 |
| Visit of representatives of the COSCO GROUP SA to PPA SA | www.ase.gr<br>www.olp.gr | 21/5/2010 |
| Response to the Capital Market Commission | www.ase.gr<br>www.olp.gr | 21/5/2010 |
| Change in the financial calendar year 2010 | www.ase.gr<br>www.olp.gr | 14/5/2010 |
| Notification of Change of Head of Internal Audit Dpt . | www.ase.gr<br>www.olp.gr | 19/4/2010 |
| Notice of establishment of the subsidiary company "NAYS OLP SA" | www.ase.gr<br>www.olp.gr | 30/3/2010 |
| Comments on financial statements for FY 2009 | www.ase.gr<br>www.olp.gr | 29/3/2010 |
| Financial Calendar for the Year 2010 | www.ase.gr<br>www.olp.gr | 29/3/2010 |
| Notice of establishment of the subsidiary company "LOGISTICS OLP SA" | www.ase.gr<br>www.olp.gr | 16/3/2010 |
| Notification of change of the Head of Financial Services | www.ase.gr<br>www.olp.gr | 4/3/2010 |
| Notification of other key events | www.ase.gr<br>www.olp.gr | 11/1/2010 |
| Press release on Transparency in PPA SA | www.ase.gr<br>www.olp.gr | 4/1/2010 |

# WEBSITE PLACE OF UPLOADING THE FINANCIAL STATEMENTS

The annual financial statements of the Company, the Auditor's report and the Management Reports are available to the website www.olp.gr.

# FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2010

## PIRAEUS PORT AUTHORITY SOCIETE ANONYME
## PPA S.A.

**Company Registration Number 42645/06/B/99/24, Akti Miaouli 10 - Piraeus P.C. 185 38**

**FINANCIAL DATA AND INFORMATION FROM JANUARY 1, 2010 TO DECEMBER 31, 2010**

**(Published based on Corporate Law 2190, article 135 for corporations that report annual financial statements, consolidated or not, according to IFRS)**

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of PIRAEUS PORT AUTHORITY S.A. ("Company"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Company, to obtain the necessary information from the website, where the separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report, when required.

**(Amounts in Euro)**

| | |
|---|---|
| **Company's Web Site:** | www.olp.gr |
| **Date of approval of annual financial statements from the Board of Directors:** | March 14,2011 |
| **Certified Auditor Accountant** | Charalambos D. Kofopoulos |
| **Auditing firm:** | PKF EUROAUDITING S.A. |
| **Type of auditor'sreport :** | Unqualified |

**Members of the Board of Directors:**

| | |
|---|---|
| Georgios Anomeritis | President and Managing Director (Executive member) |
| Nikolaos Moustakis | Deputy Managing Director (Executive member) |
| Georgios Papadopoulos | Member (Non executive member) |
| Nikolaos Nakis | Member (Non executive member) |
| Nikolaos Papailias | Member (Non executive member) |
| Aggelos Zisimopoulos | Member (Non executive member) |
| Georgios Tsiridis | Member (Non executive member) |
| Vasilios Georgiou | Member (Non executive member) |
| Irini Moustaki | Member (Non executive member) |
| Eustratios Balabanidis | Member (Non executive member) |
| Nikolaos Georgiou | Member (Non executive member) |
| Vasilios Mihaloliakos | Member (Non executive member) |

### DATA FROM STATEMENT OF FINANCIAL POSITION

| | 31.12.2010 | 31.12.2009 |
|---|---|---|
| **ASSETS** | | |
| Property, plant and equipment | 320.538.678,69 | 287.350.030,66 |
| Intangible assets | 3.561.908,89 | 149.144,70 |
| Other non current assets | 15.292.491,75 | 16.934.325,85 |
| Inventories | 1.627.559,44 | 1.975.232,31 |
| Trade receivables | 19.829.103,21 | 22.922.733,50 |
| Other current assets | 31.811.969,00 | 46.176.155,44 |
| **TOTAL ASSETS** | **392.661.710,98** | **375.507.622,46** |
| **EQUITY AND LIABILITIES** | | |
| Share Capital (25.000.000 shares of € 2,00 each) | 50.000.000,00 | 50.000.000,00 |
| Other equity iyems | 99.005.038,22 | 91.957.825,45 |
| **Equity attributable to shareholders of the parent (a)** | **149.005.038,22** | **141.957.825,45** |
| Long term borrowings | 90.000.000,00 | 35.000.000,00 |
| Provisions/ Other long term liabilities | 131.791.987,91 | 132.987.262,54 |
| Short term borrowings | - | 2.924.137,93 |
| Other short term liabilities | 21.864.684,85 | 62.638.396,54 |
| **Total liabilities (b)** | **243.656.672,76** | **233.549.797,01** |
| **TOTAL EQUITY AND LIABILITIES (a)+(b)** | **392.661.710,98** | **375.507.622,46** |

### DATA FROM STATEMENT OF COMPREHENSIVE INCOME

| | 01.01 - 31.12.2010 | 01.01 - 31.12.2009 |
|---|---|---|
| Turnover | 116.720.753,69 | 128.483.428,41 |
| Gross profit | 20.780.913,59 | 18.303.574,81 |
| Profit /(loss) before taxes, investment and financial activities | 11.015.708,91 | (39.093.787,56) |
| Profit/(loss) before tax | 11.233.594,88 | (38.325.334,28) |
| **Profit / (Loss) after tax (A)** | **7.047.212,77** | **(33.557.277,27)** |
| **Other comprehensive income after taxes (B)** | - | - |
| **Total comprehensive income after taxes (A) + (B)** | **7.047.212,77** | **(33.557.277,27)** |
| Earnings / (Losses) per share – basic and diluted (in €) | 0,2819 | (1,3423) |
| Profit before taxes, investment, depreciation and amortisation | 26.653.485,02 | (28.672.360,38) |

### DATA FROM STATEMENT OF CHANGES IN EQUITY

| | 31.12.2010 | 31.12.2009 |
|---|---|---|
| Total equity at the beginning of the period (01.01.2010 and 01.01.2009 respectively) | 141.957.825,45 | 177.265.102,72 |
| Total comprehensive income after tax | 7.047.212,77 | (33.557.277,27) |
| Dividends paid | - | (1.750.000,00) |
| Total equity at theend of the period (31.12.2010 and 31.12.2009 respectively) | 149.005.038,22 | 141.957.825,45 |

### DATA FROM STATEMENT OF CASH FLOWS

| | 01.01 - 31.12.2010 | 01.01 - 31.12.2009 |
|---|---|---|
| **Operating activities** | | |
| Profit/ (Loss) before tax (continuing activities) | 11.233.594,88 | (38.325.334,28) |
| Adjustments for: | | |
| Depreciation and amortisation | 15.637.776,11 | 10.421.427,18 |
| Gain on disposal of property, plant & equipment and intangible assets | (531.844,00) | - |
| Provisions | (1.941.216,14) | 51.252.027,31 |
| Results (revenue, expenses, profit and losses) from investing activity | (217.885,97) | (768.453,28) |
| Decrease in inventories | 347.672,87 | 3.719.318,96 |
| Decrease in accounts receivable | 2.408.660,48 | (16.413.957,39) |
| Increase/ (Decrease) in liabilities (except borrowings) | (40.041.819,94) | 67.277.694,28 |
| Minus: | | |
| Interest and related expenses paid | (1.127.089,10) | (949.270,33) |
| Payments for staff leaving indemnities | (4.752.454,47) | (1.908.737,00) |
| Payments for retirement with incentives | (811.356,00) | - |
| Tax paid | (2.289.348,17) | - |
| **Net cash flows from / (used in) operating activities (a)** | **(22.085.309,45)** | **74.304.715,45** |
| **Investing activities** | | |
| Proceeds from government grants | - | 1.480.000,00 |
| Proceeds from the sale of property, plant and equipment | (120.000,00) | - |
| Purchase of property, plant and equipment and intangible assets | 183.865,00 | 1.199.184,95 |
| Interest received | (54.680.563,59) | (79.466.917,39) |
| **Net cash flows from investing activities (b)** | 1.344.971,08 | 1.717.723,61 |
| | **(53.271.727,51)** | **(75.070.008,83)** |
| **Financing activities** | | |
| Net change in long -term borrowings | 55.000.000,00 | - |
| Net change in short -term borrowings | (2.924.137,93) | (2.924.137,93) |
| Settelment of obligation from finance leases | (998.107,24) | (2.895.002,10) |
| Dividends paid | (786.000,00) | (1.750.000,00) |
| **Net cash flows from/(used in) financing activities (c)** | **50.291.754,83** | **(7.569.140,03)** |
| **Net increase in cash and cash equivalents (a) + (b) + (c)** | **(25.065.282,13)** | **(8.334.433,41)** |
| **Cash and cash equivalents at the beginning of the year** | **33.270.079,96** | **41.604.513,37** |
| **Cash and cash equivalents at end of the year** | **8.204.797,83** | **33.270.079,96** |

### ADDITIONAL DATA AND INFORMATION

1. The Company has not been audited by the Tax Authorities for the years 2009 and 2010 (Note 30 a).
2. The Company's permanent and seasonal personnel as at 31.12.2010 amounted to 1.386 & 10 employees respectively (1638 & 11 employees at 31.12.2009)
3.At the end of the current period there are no treasury shares held by the Company.
4. For pending lawsuits or cases submitted in arbitration, the Company has made relevant provisions of € 30.178.033,37.The provision for unaudited years by the Tax Authorities amounted to € 900.000,00
The Company's provision for personnel voluntary retirement amounted to € 21.851.340,02.. Finally a provision of € 400.000 was made for the deepening of Container Terminal Port in the framework of the Concession Agreement of Piers II and III (Note 16).
5. There is no property, plant and equipment that has been pledged as security.
6. During the year 2010 the Company establisted two subsiadiaries named "SHIP REPAIR SERVICES P.P.A S.A." (NAYS P.P.A S.A.) and "INTERMODAL TRANSPORT AND LOGISTICS COMPANY S.A.", (LOGISTICS P.P.A. S.A.)
The subsiadiaries untill the year ended December 31, 2010 has not yet commenced its operations. The Company does not prepare consolidated financial statements due to imaterial net assets of its subsidiaries as at December 31, 2010 (note 7).
7. There are no other comprehensive income / (loss) of the Company that recorded directly to the Shareholders' Equity as at December 31, 2010.
8. The Company's capital expenditure for the year ended December 31, 2010 is disclosed to the note 4 and 5 of the financial statements.
9. The subsequent events after the December 31, 2010 are disclosed to the note 33 of the financial statements.
10. The accumulated income and expenses since the beginning of the current fiscal year as well as the Company' s trade accounts receivable and payable balances at the end of the current fiscal year that have resulted from the transactions with their related parties, according to IAS 24, are as follows:

| | (Amounts in Euro) |
|---|---|
| a) Income | 12.942,27 |
| b) Expense | 0 |
| c) Receivables | 12.942,27 |
| d) Liabilities | 0 |
| e) Fees of Managers and members of the Board of Directors | 1.109.880,46 |
| f) Amounts owed by Managers and members of the Board of Directors | 0 |
| g) Amounts due to Managers and members of the Board of Directors | 0 |

**Piraeus, March 14, 2011**

| THE CHAIRMAN OF THE BoD AND MANAGING DIRECTOR | DEPUTY MANAGING DIRECTOR | THE FINANCE DIRECTOR |
|---|---|---|
| GEORGIOS ANOMERITIS<br>ID Number: AZ 553221 | NIKOLAOS MOUSTAKIS<br>ID Number:Λ373780 | EKATERINI VENARDOU<br>E.C.G. Licence No. 00003748 A' Class |