Th.p.a s.a.

THESSALONIKI PORT AUTHORITY S.A.

ANNUAL FINANCIAL REPORT
for the period ended on
31 December 2008

THESSALONIKI, 27 MARCH 2009

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THESSALONIKI PORT AUTHORITY S.A.
(ThPA S.A.)
Companies Reg. No. 42807/06/B/99/30
HQ: Thessaloniki

Statements by Board of Directors members
(in accordance with Article 4 of Law 3556/2007)

The members of the Board of Directors of the company with the corporate name Thessaloniki Port Authority S.A., trading as ThPA S.A, whose registered offices are in Thessaloniki at the port:

1. Lazaros Kanavouras, son of Athanasios, Chairman of the Board of Directors
2. Ioannis Tsaras, son of Georgios, Managing Director and Board Member
3. Iakavos Frantzis, son of Christoforos, Board Member, specifically appointed to that end by Decision No. 4001/26.8.2008 of the Board of Directors

in our said capacity, do hereby declare and confirm that as far as we know:

(a) the annual financial statements of ThPA S.A. for the period 1.1.2008 to 31.12.2008, which were prepared in accordance with the applicable IAS fairly present the assets and liabilities, equity and results for the period for ThPA S.A.

(b) the annual report of the Board of Directors of ThPA S.A. fairly presents the information required by Article 4 of Law 3556/2007.

Thessaloniki, 27/03/2009

The Declarants

The Chairman of the Board	The Managing Director & Member of the Board	The Board-appointed Member
Lazaros Kanavouras **ID Card No. AB717218/06**	**Ioannis Tsaras** **ID Card No. P723030/95**	**Iakovos Frantzis** **ID Card No. AE183232/07**

MANAGEMENT REPORT FROM THE BOARD OF DIRECTORS OF THESSALONIKI PORT AUTHORITY S.A. TO THE ORDINARY GENERAL MEETING OF 26 MAY 2009

Dear shareholders,

We are pleased to submit the financial statements of Thessaloniki Port Authority S.A. for the accounting period 1.1.2008 – 31.12.2008. The year which ended was the 9th accounting period for ThPA S.A. as a public limited company and was profitable just like in previous years.
The current financial statements have been prepared in accordance with the IFRS adopted by the European Union, implementation of which is mandatory for the Company for accounting periods ending after 31.12.2004 because it is listed on ATHEX. This report was prepared in line with the relevant provisions of Law 3556/2007 (Government Gazette 91/A/30.4.2007, Article 4) and the decisions of the Hellenic Capital Market Commission issued pursuant to it, and in particular Articles 1 and 2 of Decision No. 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission.
This report contains all information required by law so provide readers with a substantive briefing about the activities of the company Thessaloniki Port Authority S.A. in the said period.

1. **Company operations:**
ThPA S.A. is a public utility enterprise operating in the public interest in accordance with private economy considerations and in administrative and financial terms is independent from the State.
It was incorporated in 1999 by converting the body governed by public law, Thessaloniki Port Authority, into a public limited company.

1.1. The purpose of the Company is to manage and exploit the Port of Thessaloniki and/or other ports and in particular:
- To provide ship berthing and cargo and passenger handling services to and from the port.
- To install, run and exploit all manner of port infrastructure.
- To take up all activities related to the port and all other commercial, industrial, oil or business activities including tourism, culture, fishing activities and the planning and running of port services.
- Any other duties assigned to ThPA under law as a body governed by public law.

1.2. The company's main activities are:
The provision of services related to the anchoring of ships, loading/ unloading, cargo handling and storage, other port services (water supply, power supply, telephone network connections, garbage removal etc), handling passenger traffic (coastal shipping and cruise liners) and exploitation of areas for cultural and other uses.
The Company is active in the field of transportation-related and auxiliary activities, as well as in the field of travel agency activities (Statistical Classification of Economic Activities (STAKOD) 08, code 52). The nature of the company's activities is such that allows it only to operate in Greece, regardless of the fact that its clientele also consists of international companies. Furthermore, the Company does not engage in any other commercial or industrial activities but only provides services in the area of the port of Thessaloniki.
Its business activities relate to providing the services relating to:
- unitised cargoes (containers)
- conventional cargoes (bulk, general, RO-RO)
- coastal shipping and cruise liner passengers
- ships (anchoring, mooring, berthing and other services)
- car parking lots.

1.3. The Port of Thessaloniki's competitive environment is defined by the port's geographic location, the type, origin / destination of cargoes handled the quality and cost of services provided and includes ports of different operating features.

The wider geographic area currently served by the port of Thessaloniki is:

- Macedonia, Thrace and part of Thessaly.
- FYROM, south-western Bulgaria and southern Serbia.
- The Black Sea countries.

The possibility of attracting cargoes currently handled by the ports of Alexandroupoli, Kavala, Stavros, Nea Moudania and Volos is limited. As far as container handling is concerned, the competition faced by the port of Thessaloniki is small, since no other port in northern Greece has the equipment required for container handling. The ports of Alexandroupoli and Kavala are expected to claim a small share of this market once their development plans are implemented.

Including the areas of northern Bulgaria, central Serbia, Romania and Albania into the port of Thessaloniki's zone of influence is considered extremely difficult, due to further rapid development of local ports in the above areas via the use of private funds.

ThPA's intention is to attract new large clients from FYROM, SW Bulgaria and Southern Serbia. In addition to the infrastructure projects and the procurement of the equipment needed, potential medium-term collaboration with a private sector, global port services provider specialised in container terminals would significantly boost the further growth and development of the port given the large capacity such a provider has to effectively market the port worldwide, compared to the limited capacity that a regional port, like that of Thessaloniki, has on its own.

1.4. The Company's main clients are industries, shipping agents, container transportation companies and transit agents (companies undertaking the transportation of freight), while its sales are promoted:

- Via a system of associated shipping agents who represent third parties (container transportation companies, cereal trading companies, mineral ore trading companies, steelwork companies, etc).
- Via direct contact and negotiation between clients and ThPA S.A.

2. Information concerning the share capital, rights and restrictions on transferring shares, direct or indirect holdings within the meaning of Articles 9, 10 and 11 of Law 3556/2007, rules for appointing and replacing members of the Board of Directors, major company agreements with third parties or Board members of staff. (Article 11a of Law 3371/2005)

2.1. Share capital

ThPA's share capital stands at € 30,240,000 divided into 10,080,000 ordinary registered shares with a nominal value of € 3.00 each. The share capital contains no shares which do not represent company capital or rights to acquire bonds.

By means of decision of the Extraordinary General Meeting of shareholders of 1.3.2007 it was decided to increase the share capital by € 1,063,536 by capitalising the first dividend for the 1st accounting period (2000) and by the sum of € 1,960,464 by capitalising that amount from the special tax-free reserve under Law 2881/2001. Following an opinion issued by the State Legal Council, the Ordinary General Meeting of Shareholders of ThPA on 30.6.2008 decided to revoke the decision of the Extraordinary General Meeting of 1.3.2007 and to pay the dividend for the 1st accounting period to the Greek State.

The Ordinary General Meeting of Shareholders of ThPA S.A. of 22.6.2001 decided to list ThPA's shares on the main market of the Athens Exchange and to sell existing shares belonging to the Greek State.

Of the total number of Company shares (10,080,000), 2,520,000 owned by the Greek State were offered to the public (25% of the total capital), 120,000 shares of which were privately placed with Company employees.

Moreover, the vendor-cum-shareholder gave a retention incentive in the form of 2 shares for every 10 shares which shareholders had acquired during the public offering or private placement. These shares were to be held for a period of 3 months from the date of entry of the transfer of shares in the Athens Central Securities Depository. Up to a total number of 200 gratis shares could be offered per investor.

On 27.08.2001, trading of the aforementioned 2,520,000 shares to which the public offering and private placement related began.

In the 2008 fiscal year and in the current fiscal year (2009) the company or third parties have not made public offerings to purchase or swap shares of other companies or shares of ThPA S.A. respectively.

2.1.1. The shareholder line-up of the Company on 28.2.2009 was as follows:

Shareholders	No. of shares	%
Greek State	7,486,194	74.27%
Investors	2,593,806	25.73%
TOTAL	**10,080,000**	**100.00%**

This shareholder line-up will remain unchanged until the management report is submitted. The company does not hold treasury stock.

2.1.2. All company shares are traded on the Athens Exchange.

2.1.3. On 31.12.2008 there were no shareholders, other than the Greek State, who had major direct or indirect holdings within the meaning of the provisions of Law 3556/2007 (Articles 9, 10 and 11). Note that on 24.7.2008 Morgan Stanley & Go International acquired a holding of over 5% (5.087%), which after sales of certain shares on 30.10.2008 dropped below the 5% threshold to 4.993%.

2.2. Transfer of shares – restrictions on shareholders

All shares in the Company are ordinary registered shares.

Each share incorporates all the rights and obligations established by law and by the Company's Articles of Association, which however do not contain provisions more restrictive than those appointed by the law. By way of exception, Article 6(2) and Article 7 of the Company's Articles of Association provide that the minimum holding of the Greek State in the Company's share capital may not drop below 51% even after listing of the company of the Athens Exchange. The Greek State, which was the sole initial shareholder in ThPA S.A., has its right to retain a majority holding in the company statutorily enshrined in Articles 6(2) and 7 of the company's Articles of Association.

The Company's shares are freely negotiable. Note that Law 2688/1999, which specifically governs the organisation and operation of ThPA S.A., includes Article 11(3) which states that the Ministers of Economy & Finance and Mercantile Marine may issue a joint decision setting limits on the transfer of ThPA shares for each investor for any percentage of the capital other than the 51% which belongs to the Greek State.

Shareholders exercise their rights in relation to management of the Company exclusively via their participation company General Meetings of Shareholders. Each share confers the right to a single vote. Joint holders of a share must, in order to be entitled to vote, designate a common representative who shall represent them at all General Meetings and must so inform the Company. Until such appointment has been made the exercise of their rights shall be suspended.

No agreements between shareholders entailing restrictions on the transfer of shares or the exercise of voting rights have been disclosed to the Company.

Article 11 of Law 3631/2008 states that:

«1. The purchase of shares providing voting rights in private limited companies of national strategic importance that hold or held a monopoly in their field, and particularly companies that own, operate or manage national infrastructure networks, by a party other than the Greek State, or by companies linked to that party within the meaning of Article 42(e) of Law 2190/1920, or by parties acting in a coordinated manner, equal to 20% or more of the total share capital of the companies concerned shall require prior approval from the Inter-ministerial Committee on Privatisation established by Law 3049/2002 and in accordance with the procedure laid down therein.'

2.3. Rules on appointment and replacement of members

The Board of Directors represents the company both in and out of court. It has issued a decision assigning the exercise of certain powers to the Chairman of the Board of Directors and the Managing Director acting jointly or individually.

The Board of Directors is the supreme administrative body and prepares strategy and development policy while also supervising, controlling and managing company assets. It decides on all issues relating to the company in the context of its scope with the exception of those matters which pursuant to law or the Articles of Association fall within the exclusive competence of other bodies. There are no competences to issue new shares or purchase treasury stock pursuant to Article 16 of Codified Law 2190/1920. The line-up, term in office, establishment, operating and duties of the Board of Directors are governed by the provisions of Articles 9 to 12 of the Company's Articles of Association. The Board of Directors consists of 11 members whose term in office is 5 years. Of the 11 members, 7 are elected by the General Meeting of Shareholders, including the Managing Director, while the other 4 members are appointed by the following representative groups, who although not shareholders, are entitled to appoint board members:

2 members may be appointed to represent Company employees. These representatives are drawn from the two most representative trade unions, one being an administrative employee and the other a port worker. They must be company employees.

1 member is nominated by the Economic & Social Committee (ESC) and is drawn from bodies related to company operations.

1 member representing the Mun. of Thessaloniki.

2.4. Agreements with third parties

There are no agreements between the Company and third parties which will come into effect or amend or expire in the event of change of control of the company after a public offering, and there are also no agreements with staff or Board members which provide for the payment of compensation in the case of resignation or dismissal due to a public offering.

3. Main resources

3.1. The Company has the exclusive right to use and exploit the land, buildings and facilities at the Port of Thessaloniki Port Land Zone which are the property of the Greek State. The above exclusive right was granted to ThPA for 40 years pursuant to the concession agreement dated 27.06.2001, concluded between the Greek State (represented by the Ministers of Finance and Mercantile Marine) and ThPA SA, which was to expire in 2041, in return for consideration of 1% of the sales for the first 3 years of the agreement and 2% of the sales for the remaining years. That contract was ratified by Law 3654/2008 on 3.4.2008, under which the initial effective term of the contract was extended from 40 to 50 years with the result that it now expires in 2051 and the exclusive right of ThPA to use and exploit plots / buildings and facilities can be conceded by ThPA to third parties for purposes related to port services and facilities for a period not exceeding the contract effective term. The main points on the current contract are set out in paragraph 3 of the notes to the financial statements.

3.1.1. The port land zone covers an area of around 1,550,000 m2 and it is around 3.5 km long. It has 6,200 m of quays, up to 12 m depth, 6 piers, administration and technical support buildings, warehouses, sheds, special equipment and other facilities.

3.1.2. The Container Terminal is the most recent building complex belonging to ThPA S.A. It was designed and operates based on the state-of-the-art technological considerations and uses suitable container handling equipment. It is located on pier 6, quay 26 and is 600 m long and can handle ships with a draught of up to 12 m. Its internal utilisable surface area is 200,000 m2 laid out allow container handling, delivery and dispatch.

3.1.3. That section of the port outside the Container Terminal is the conventional port and is served by quays 1 to 24. It covers around 1,070,000 m2 and has a total of 5 piers. The conventional port is split between the Free Zones (quays No 15 to 24), at which third country cargoes are handled, and the rest of the port (quays No 1 to 14) for cargoes from European Union countries At the same time, passenger ships, hydrofoils and cruise liners that serve the passenger traffic throughput at the port of Thessaloniki also dock within the boundaries of the conventional port and the boundaries of the Free Zone.

3.2. The Company's assets consist of:

3.2.1. Four plots of land held for exploitation purposes, located outside the concession area, with a total value of €7,160,000, namely:

- A plot at Kountouriotou & Salaminos St. (Thessaloniki), leased to the "Customs Brokers Union of Thessaloniki", with a total surface area of 1,233.49 m2.
- A plot at Kountouriotou & Fokaias St. (Thessaloniki), leased to the "Thessaloniki Shipping Agents Association", with a total surface pf 285.50 m2.
- A plot at the Old Nares Mine, comprising two granite extraction mines, the deserted buildings of the company that had undertaken to exploit them and the mine products transportation facilities. The mines that operated there until the late 1950s are currently not in use. However, the morphology of the ground and the subsoil forbids any residential exploitation and development of the total surface of 104,023.00 m2.
- - A plot at Triandria of Thessaloniki, with a total surface area of 165.00 m2.

3.2.2. Mechanical and other equipment – facilities with a total value (historical cost) of € 69,364,000.

Of these, the assets used more than 10% in the provision of services can be summarised as follows:

- 4 Electric Gantry Cranes, 17 Straddle Carriers, 3 Front Lifts and 1Transtainer
- 10 Electric Gantry Cranes of lifting capacity 25-40tonnes, 40 fork lifts of lifting capacity 6-37tonnes, 3 Self-moving Cranes of lifting capacity 100-150 tonnes, 15 loaders 0,8-5 M3 and various other loading equipment.

3.2.3. Moreover, the Company has developed one of the most up-to-date digital communication networks, having installed optic fibres to create a Backbone Network. More than 75 km of fibres have been installed in total.
The specialised software applications used (with a total value €1,313,000 (historical cost)), already cover a major part of port procedures, especially those related to financial services, statistical data, HRM, maintenance, document organisation and management and container terminal management.

3.3. The Company's driving force is its personnel, split into Administrative, Technical, and Auxiliary staff and port workers. In 2008 the Company employed an average of 541 people, compared to the 571 employed in 2007. Industrial relations are regulated by the Employees General Regulation, the national collective labour agreement or sector or inter-professional agreements while their pay are is set in the sectoral Collective Labour Agreement for full-time staff or in individual employment contracts.

The company invests in continuous training and briefing of its personnel by means of training courses and seminars on general issues, such as communication, administration, finance, health and safety.

4. Objectives and strategies

4.1. The port of Thessaloniki is the leading transit port of Greece in terms of conventional cargoes. It is the EU port closest to the Balkans and the Black Sea, ensures the safety of cargoes handled and has a natural sea entrance which can serve even deep draught vessels. Its advantages include the Container Terminal operating round the clock at flat rates, a conventional port which operates over two shifts using top class equipment, and the "Free Zone", one of the 27 Free Zones operating within the European Union, in order to facilitate and develop trade between the Member States of the European Union and non-Member States.

4.2. The company's strategy seeks to increase the assets of its shareholders while fulfilling its obligations as a public utility:

- by retaining the dominant position the port holds in the region, and by transforming it into the leading port in the Balkans.
- by reinforcing its role in the Eastern Mediterranean, as a centre for intermodal transport, and
- by helping it to evolve into a transit hub and major regional port and gateway for the markets of SE Europe where 'in transit' handling will play a major role.

To this end it seeks:

- to reinforce its competitive position by improving performance and by adopting an attractive pricing policy.
- to increase its profitability by improving its operating margin, attracting cargoes, reducing cost and providing new integrated port logistics services oriented towards Third Party Logistics (3PL) services.
- to improve the quality of the services through its investment plan by updating and extending port infrastructure and superstructure, training personnel and upgrading and extending technological infrastructure with the use of advanced software packages and the development of specialised computerised applications.
- to further develop the Container Terminal.

4.3. The key pillar of the Company's pricing policy is to keep its service tariffs at competitive levels, compared to the rest of the region's ports, so as to attract clients. To that end, cargo loading and handling service tariffs had remained unchanged since 2003 but rose in 2007 following implementation of the new ThPA regulations and service tariffs (Government Gazette 390/2.3.2007).

4.4. The basic objective is to attract new cargoes and to provide value added services, coupled with safe, rapid handling services. To that end the company is continuously endeavouring to modernise and renew its relatively new mechanical equipment and to further develop infrastructure by financing such moves with its cash assets.

Plans for the next five years include:

- gradual modernisation of conventional cargo facilities (infrastructure and electromechanical equipment) to bring the cargo handling capacity up to at least 7 million tonnes. In relation to electromechanical equipment, it should be noted that plans for the procurement of forklifts have been completed and plans for the procurement and restoration of electric gantry cranes and loading equipment as well as other conventional cargo equipment are nearing completion.
- construction of buildings and implementation of transport service works.
- extension and integration of the IT infrastructure to promote integrated management of the port as well as support procedures

  ThPA's objective is to gradually more than double capacity of the container terminal over the next 5 years (up to 2015) from 450,000 TEUs which is current figure handled, to around 1,000,000 TEUs. It will seek to do this by extending quay 26 by

550 m and to a depth of 15.8m, by constructing additional retaining walls 300m wide and also acquiring the necessary equipment (gantry cranes, container handlers in the container terminal forecourt, etc.).

5. Results

Examining the results for the 2008 accounting period, it is necessary to mention that during the period that ended, the port of Thessaloniki handled a total of 15,536,670 tonnes, 6,591,930 tonnes of which was dry cargo, 238,940 TEUs (containers), 2,225 ships and 163,502 passengers. In addition to procuring basic mechanical equipment and implementing infrastructure projects, during the year ended ThPA completed the tender procedure for conceding the container terminal to a private sector operator to further develop the terminal and to ensure that such services play a major part in improving the competitiveness of container sector. The decision to go ahead with this resulted in employee strikes during the whole of 2008 and the results of those strikes are clearly reflected in the results for the period.

5.1. Bearing those points in mind, compared to 2007 there was a decrease in the bulk cargo handled (mainly ores and scrap) by 5.27 %, unitised cargoes (containers) by 46.57% in TEU terms, general cargo by 25.36 %, ship traffic by 25.46%, ship traffic and Ro-Ro cargo traffic by 2.64 % while passenger traffic rose by 8.9%.
Note that the pricing policy followed in 2008 is different from that followed in 2007, especially so for the period 1.1-31.3.2008. From 1.4.2007 a new regulation took effect and a new service pricelist for ThPA S.A. was introduced and prices were increased by the estimates of competent officers for ThPA services by 18% on average while for conventional cargoes handled and priced based on special agreements signed with ThPA and customers, the increases were in the order of 10% from 16.5.2007 to 31.12.2007 and 7% from 1.1.2008.

5.1.1. As a result of the drop in cargo being handled -even despite the partial increase in prices- Company turnover for 2008 was down by 25.56% compared to 2007 and profits net of tax, despite reduced costs (down some 9.86%) dropped by 61.76%.
It is useful to note that despite the unfavourable conditions faced in 2008, the Company's results and sales for that year are better than those for 2006 (sales + 7.3% and profits + 45.72%).
In addition the results for 2008 were bolstered by € 313,222 by the valuation of investment properties which took place.

5.1.2. As far as expenses are concerned, note that staff salaries were down by 12.83% due to the drop in the number of staff and the cut in the cost of additional work by staff by around 50% due to absences from additional work, while overall expenses dropped by 9.86% due to the fact that in 2008 there were no extraordinary expenses for that fiscal year or previous ones, as had been the case in 2007, other than the difference which arose from the valuation of the National Bank bond at fair value and the two Emporiki Bank and Alpha Bank swaps, worth € 151,015, which was recognised as an expense in 2008.

5.2. Moreover, when preparing these financial statements in line with the IAS – IFRS adopted by the European Union, the Company:

- valued its assets using:
  - the fair value method for plots (investment properties) as calculated by an independent evaluator;
  - the historical cost method for intangible assets and property, plant and equipment;
  - the fair value or carried cost method for financial instruments depending on whether classed as held-to-maturity or for sale.
  - the fair value method for staff termination liabilities calculated by an actuary.

- depreciated fixed assets using the straight-line method at depreciation rates approved by the Board of Directors of ThPA in Decision No. 2623/2005, which are higher than the tax rates, apart from the cases of equipment – utensils and computer equipment, where the maximum tax rates have been used.
- recognised provisions for the open tax periods (2001-2007) of € 742,000 and of € 360,000 for the 2008 period.

5.2.1. In light of these points, the necessary adjustments and restructuring of accounts required to ensure tax records comply with the IAS (primarily transfers of intangible assets from the tax standards to expenses, fixed asset grants to depreciation liabilities at new rates, valuation of investment properties at fair value) there was a positive impact on the Company's equity under the IFRS by € 402,745, a positive impact on its pre-tax income under the IFRS by € 169,161 and a negative impact on its income net of tax under the IFRS by € 420,719.

5.3. Comparing the balance sheet figures and the results for the period, it is clear that the Company continues to have a particularly robust capital structure and financial position.

5.3.1. The allocation of the Company's capital to fixed assets and current assets is considered satisfactory, given that the fixed assets account for 36.61% of total Company assets and current assets account for 48.71% of total Company assets, while the remaining 18.11% of non-current assets correspond to other financial instruments of ThPA SA and to deferred tax assets.

In terms of the level of funds committed to equipment, as a public utility ThPA is obliged to invest in state-of-the-art technological equipment and in infrastructure works to improve the quality of services provided and to respond to its public utility objectives and consequently commits major amounts of capital to achieving this.

5.3.2. Due to its high reserves (53.35 % of owners' equity) it is financially independent and can finance its investments without taking out loans. Equity accounts for 85.79% of assets, and short- and long-term liabilities only account for 14.20% of liabilities.

Due to its large cash assets, Company working capital is € 51,548,000.

The company has low inventories (materials and spare parts) of € 1,870,000 of which 4.49 % relates to fuel and lubricant stocks, 48.82 % to consumables and 46.69 % to spare parts.

The turnaround time for current assets (35 days to receivable collection date if one takes into account the 16-day deposit period) and liabilities (supplier payment within 41 days) enable the company to settle its liabilities at regular dates and remain independent and solvent. The Company does not have due debts, has no short-term loans and does not have cheques receivable in its portfolio.

It collects down payments from its clients before carrying out work. In 2008 these amounted to € 2,251,000 and consequently its actual receivables were € 4,693,000 - 2,551,000 = € 2,143,000).

5.3.3. The return on equity is considered adequate given that it yielded:

- 6.94% based on pre-tax profits
- 4.64 % based on earnings net of tax.

figures which are similar to the Bank interest rates in 2008, while the RoA ratio yielded:

- 5.95 % based on pre-tax profits
- 3.98 % based on earnings net of tax.

5.4. ThPA shares are listed on the mid-cap index in the transportation services sector. Over the period 1.1.2008 – 31.12.2008 the share value dropped by 71.77 %.

Over the same period the general index lost 65.69% of its value, while the price of the company share in the same sector dropped by 68.34 %.
The share price on 31.12.2008 was € 9.88. The book value of the share was € 11.34 compared to € 11.38 in 2007 while the share price to book value (PBV) was 0.87.
The ratio of the share's market value on 18.3.2009 (€ 9.99) to gross profits/share on 31.12.2008 (P/E) was 12.8, and 19.21 compared to net profits/share.

6. Dividend policy

Company dividend policy seeks to satisfy shareholders while at the same time building reserves to finance investments. It is proposed that dividends of € 1,814.400 (or € 0.18 per share) be distributed from the 2008 net profits.

7. Risks and various relationships

7.1. No restrictive liens have been registered in the name of creditors in respect of the company's movable and immoveable assets. At the time this report was drawn up, ThPA SA had not granted any guarantees in favour of third parties.

7.2. Moreover, the Company has an important number of clients and suppliers. The provision of services and their pricing is uniform and irrespective of agreements. Agreements are concluded in the general context of ThPA's business policy to attract clients and increase the cargoes handled by the Port of Thessaloniki. The agreements concluded provide clients with special terms and facilities in the context of a 'Memorandum of Understanding', without imposing any rights of exclusivity for the contracting parties as regards the provision of port services beyond the short-term agreements the company signs for the concession of areas.

7.3. The company has no branches.

7.4. Moreover, and in order to secure its assets, and to safeguard itself against liability to third parties, the company has insured its fixed equipment (machinery - tools - vehicles - vessels, etc) against all risks, civil liability and employer civil liability, as well as client cargo liability. The annual cost of such insurance is € 527,000. €.

7.5. As port administrator, ThPA is especially aware of the need to protect the environment, and thus has been "P.E.R.S." certified by the ESPO & ECOPORTS Foundation; it has drawn up a plan concerning removal and management of ship garbage and residues, as well as mitigation of incidents related to marine pollution involving oil, and also spends significant amounts to that end each year. Moreover, the Company is seeking to develop an integrated environmental management system (E.M.A.S.), and to that end, has joined the research programme of the Aristotle University of Thessaloniki titled "GREEN PORT III". The Company has also entered the alternative waste, lubricant, used tyres and batteries management system and invests in employee health and safety by constantly improving working conditions.

7.6. In 2007 ThPA S.A put in place a Port Facility Security Plan which was drawn up in line with the International Port and Ship Facility Security Code (ISPS) to safeguard ships docking at port facilities, the cargoes they are carrying, crews, passengers, and so on from malicious activities.

7.7. In addition to the obligations and contingent liabilities cited in the financial statements, which are not expected to have a significant impact on the operation of the Company and its financial status, the Company has no commitments arising from past incidents which could cause a resource outflow, nor commitments due to onerous contracts or restructuring scheme that could create risks as regards its continuation as a going concern.

8. Risk management

8.1. Financial risk factors

The company is not exposed to major financial results such as market risk, changes in foreign exchange rates or purchase prices, credit risk, or liquidity risk. The company's financial instruments are bank deposits (sight and time deposits), and trade debtors and creditors.

8.2. Market Risk

- Exchange rate risk: The company does business with Greek and foreign customers and the transaction currency is the Euro. Consequently there is no foreign exchange risk.
- Price risk: The company is not exposed to price risk because it is a service provider and is not affected by changes in the prices of raw materials. The services provided are priced based on a published price list and prices are increased or reduced when the Company considers that necessary. The cost of services provided, which consists primarily of the cost of payrolling, is affected by increases in pay thanks to inflationary pressures. The Company is also affected to a small degree by the price risk one commercial paper it holds with a nominal value of € 1 million which has been valued at fair value in profit and loss. A change in fair value of ± 5% would affect the results for the period by ± € 50,000. The Company is also affected by changes in the fair value of investment properties. A change in property prices by ± 5% would bring about a € 358,011 change in results for the period.
- Interest rate risk: The company holds several securities whose cash flows are determined by a floating interest rate tied to EURIBOR. Based on the securities held on 31.12.2008 an increase (decrease) in the interest rate in the order of + or -1% would cause an increase (decrease) in results for the period of € 130,000. The company is not exposed to the risk of interest rate fluctuations since it has not loans. The Company has short-term time deposits which are easily convertible to cash. An increase (decrease) in the interest rate of + 1% or -1% would bring about an increase (decrease) in results for the period of around € 500,000.

8.3. Credit Risk:

Company exposure to credit risk is limited to the financial assets in the balance sheet journal which can be broken down as follows:

Financial asset categories	2008	2007
Investments held to maturity	11,773,670	11,608,884
Financial assets at fair value presented in the results	700,000	1,015,000
Derivatives	-	-
Cash and cash equivalents	54,083,189	60,470,996
Trade and other receivables	4,693,521	6,313,769

The credit risk the company is exposed to vis-à-vis customers is minimal (a) due to its large customer base and (b) since as standard practice it obtains advances before commencing work carried out.

Moreover, as far as financial assets and cash and cash equivalents are concerned, Company Management implements a spread-based policy in relation to the number of banks it does business with and has a policy for evaluating their creditworthiness.

8.4. Liquidity risk:

The company is not exposed to liquidity risk since its operating expenses are covered by cash equivalents accounting for 83% of its current assets. The maturity of its financial liabilities on 31.12.2008 was as follows:

	31.12.2008

	up to 6 months	6 - 12 months
Suppliers	3,533,116	-
Customer down payments	2,551,155	-
Current Income tax	-	
Dividends payable	19,872	-
Other liabilities and accrued expenses	7,230,307	-
Total	**13,334,450**	-

	31.12.2007	
	up to 6 months	**6 - 12 months**
Suppliers	1,790,605	-
Customer down payments	4,376,600	-
Current Income tax	3,529,634	
Dividends payable	15,445	16,617
Other liabilities and accrued expenses	6,621,886	-
Total	**16,334,170**	-

The customer receivable maturity table is as follows:

	2008		
	0 - 3 months	**3 - 6 months**	**6 months and over**
Customers	3,473,254	421,544	1,744,160
Less allowances	-	-	945,438
Total net receivables	**3,473,254**	**421,544**	**798,722**

	2007		
	0 - 3 months	**3 - 6 months**	**6 months and over**
Customers	5,108,765	553,835	1,697,503
Less allowances	-	-	1,045,558
Total net receivables	**5,108,767**	**553,057**	**651,945**

8.5. Capital risk management

The company does not use loan capital and thus its gearing ratio is zero.

8.6. Fair value The amounts shown in the balance sheets for cash, receivables and short-term liabilities are close to the relevant fair values due to their short-term maturity.

9. Major events during the 2008 fiscal year

9.1. Decision No. 3610/15.1.2008 of the company's BoD approved the tender notice for an open highest bidder tender procedure for award of a concession to develop, operate and exploit the Container Terminal located within the Thessaloniki Port Zone for a period of 30 years for (a) financial consideration consisting of:

- An initial payment of € 40 million
- an annual contribution based on consolidated income
- a guaranteed annual contribution (70% of the annual contribution)
- An annual rent for existing infrastructure of € 2.47 million adjusted every year
- An annual rent for new infrastructure of € 3.66 million adjusted every year

and (b) private financing by the investor (to further develop and expand existing infrastructure and superstructure) using the highest financial tender as the award criterion.

The deadline for submitting tenders was 20.3.2008 but that was extended to 15.5.2008 by a later decision of the Board of Directors.

The following 3 companies took part:

- HPH Ltd , HPI Sarl, ALAPIS S.A. LYD S.A.
- COSCO PACIFIC Ltd, and
- P&O Aktor Concessions S.A. – Piraeus Bank S.A.

The grouping HPH Ltd. – HPI Sarl – ALAPIS S.A. - LYD S.A. was declared the highest bidder in decision No. 3800/30.7.2008 of the Board of Directors of ThPA, having tendered the sum of € 419,468,447 and in decision No. 3814/26.8.2008 of the Board of Directors of ThPA the interim contractor was appointed after the Company had checked all the supporting documents. Following that there were negotiations to draft and sign the concession agreement. Those negotiations lasted until December 2008. On 23.12.2008, however, the grouping HPH Ltd. – HPI Sarl – ALAPIS S.A. - LYD S.A. informed ThPA S.A. that it was no longer interested and was withdrawing from the negotiations due to disagreements which had arisen on major issues. On 30.1.2009 ThPA S.A. informed the contractor that it intended to exercise all its lawful rights to protect ThPA in relation to the outcome of the tender procedure.

9.2. The Company was undergoing a normal tax audit by the tax office for the 2001-2004 fiscal years and that audit was completed in January 2009.

9.3. The Ordinary General Meeting of shareholders in ThPA S.A. took the following decisions on 30.6.2008:

- to revoke the decision of the Extraordinary General Meeting of shareholders dated 1.3.2007 which had decided to distribute a dividend for the year 2000 and to pay a dividend of € 1,063,000 to the Greek State. That amount was in fact paid on 8.7.2008.
- to approve amendment of the concession agreement of 27.6.2001 between the Greek State and ThPA S.A. in relation to its effective term and further concession of the right of exploitation to third parties for a period of up to 50 years to provide port services in order to bring the concession agreement into line with the amendments made to it by Law 3654/2008.

10. Events occurring after the balance sheet date

10.1. Following Hutchison's withdrawal of interest, on 9.2.2009 the Board of Directors of ThPA declared that company in forfeit and requested that the Royal Bank of Scotland forfeit the letter of guarantee of € 5 million in its favour. That was done on 16.2.2009 as can be seen from the relevant ThPA accounts.

10.2. On 27.1.2009 the tax audit was completed and ThPA was obliged to pay € 726,024 in additional tax, which was met by existing provisions.

10.3. Apart from the points made above, there are no other events after the balance sheet of 31.12.2008 relating to the Company which need to be reported in line with the IFRS.

11. Developments - Prospects

The results for the 2009 fiscal year from normal company operations are expected to be better than those for 2008. Based on data available to date, it is clear that container traffic at port in the first two months of 2009 is up 16.39% while conventional cargo is down 29.9%, while conventional sales have risen slightly. Furthermore, the extraordinary income of € 5 million from forfeiture of the letter of guarantee will considerably improve the Company's results.

12. Major transactions with related parties as defined in IAS 24

Management remuneration

During 2008 salaries and attendance fees of € 433,866 were paid to members of the Board of Directors. Senior managers, accounting office staff, the head of legal affairs, internal auditors and other company executives were paid € 806,944 over the same period.

In addition to the fees cited, no other business relationship or transaction existed in the period 1.1.2008 to 31.12.2008 and no other benefits was provided during that period by the company to persons participating in its management.

No loans were granted to the Chairman, the Managing Director, the members of the Board of Directors, the Management and other executives of the company and the personnel of the Internal Audit Department by the Company, save for the amount of € 7,700.00 that was granted to the Manager of the Conventional Port Division and the Chief Accountant, based on the Company's sectoral collective labour agreement. The balance to be repaid by 31.12.2008 was € 2,535 (€ 1,692 and € 843 respectively). Moreover, on 31.12.2008 the company owed salaries to Board of Directors members of € 11,675 which related to the month of December which were paid in January 2009.

The remuneration of management and other executives is regulated by the sectoral collective labour agreement covering company staff, while the general managers' and legal consultant's remuneration is determined by decision of the Board of Directors. The remuneration of the Chairman and Vice Chairman of the Board of Directors and the Managing Director is determined by decision of the General Meeting of Shareholders of ThPA S.A.

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN	THE MANAGING DIRECTOR
Lazaros Kanavouras	**Ioannis Tsaras**

INDEPENDENT AUDITOR'S REPORT

(Translated from the original Greek version)

To the Shareholders of **«Thessaloniki Port Authority S.A. »**

Report on the Financial Statements

We have audited the accompanying financial statements of **«Thessaloniki Port Authority S.A. »** (the Company), which comprise the balance sheet as of 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 Greek Standards on Auditing which conform with International Standards on Auditing. Those Standards require that we comply with ethical requirements, 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 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union.

Report on Other Legal Requirements

We have verified the consistency of Board of Directors' Report with the accompanying financial statements, in the context of the requirements of articles 43a and 37 of C.L. 2190/1920.

Athens, March 27, 2009

The Certified Auditors-Accountants

Batsoulis Anast. George	**Damilakos Spir.Vrasidas**
S.O.E.L. Registration Number 14001	**S.O.E.L. Registration Number 22791**

BDO

Protypos Hellenic Auditing Company AE
Certified & Registered Auditors
81 Patission & Heyden Street Athens, GR 104 34
R.N. 111

THESSALONIKI PORT AUTHORITY S.A.

BALANCE SHEET DATED 31 DECEMBER 2008
(amounts in €)

ASSETS

	Notes:	31.12.2008	31.12.2007
Non-current assets			
Investments in Property	(b), 18	7.160.222	6.847.000
Tangible assets	(c) (d), 19	48.404.686	44.995.888
Intangible assets	(e), 20	360.310	472.064
Other financial assets	(f), 21	11.773.670	11.608.884
Long-term financial assets	(a), 22	18.270	18.270
Deferred tax assets	(g), 16	583.387	849.449
Total non-current assets		**68.300.545**	**64.791.555**
Current assets			
Inventories	(h), 23	1.870.025	1.746.397
Receivables from customers	(i), 24	4.693.521	6.313.769
Advances and other receivables	25	3.534.432	2.177.667
Financial assets at fair value posted in results	(f), 21	700.000	1.015.000
Cash and cash equivalents	(j), 26	54.083.189	60.470.996
Total current assets		**64.881.167**	**71.723.829**
Total assets		**133.181.712**	**136.515.385**

EQUITY

	Notes:	31.12.2008	31.12.2007
Equity			
Share capital	(k), 27	30.240.000	30.240.000
Reserves	28	60.967.616	61.345.307
Profits carried forward		23.058.342	23.077.796
Total equity		**114.265.958**	**114.663.104**
LIABILITIES			
Long-term liabilities			
Provisions for employee benefits	(l), 29	3.943.980	4.194.413
Asset subsidies	(m), 30	27.094	73.502
Other provisions	(l), 31	1.506.319	1.146.319
Other long-term liabilities	31	103.913	87.260
Total long-term liabilities		**5.581.305**	**5.501.494**
Short-term liabilities			
Liabilities to suppliers	32	3.533.116	1.790.605
Customer down payments	33	2.551.155	4.376.600
Current Income tax	(g), 34	0	3.529.634
Dividends payable	(n), 35	19.872	32.062
Other liabilities and accrued expenses	36	7.230.307	6.621.886
Total short-term liabilities		**13.334.450**	**16.350.787**
Total owners' equity and liabilities		**133.181.712**	**136.515.385**

0

THE CHAIRMAN OF THE BOARD OF DIRECTORS / ThPA S.A.	THE MANAGING DIRECTOR ThPA S.A.	THE FINANCIAL MANAGER No.	THE ACCOUNTANT
L. Kanavouras ID Card No. AB 717218/06	I. Tsaras ID Card No. P 723030/95	G. Kokkinos ID Card No. AE214331	M. Hondroulaki Lic. No. 0039369

(The notes which follow (numbered 1 to 39) and Annex I constitute an integral part of these financial statements)

THESSALONIKI PORT AUTHORITY S.A.

INCOME STATEMENT FOR THE PERIOD 1.1.2008 - 31.12.2008
(amounts in €)

	Notes:	01.01-31.12.2008	01.01-31.12.2007
Sales	**(o), 7**	49.342.398	66.284.947
Cost of goods sold	**8,13**	(39.524.783)	(43.848.161)
Gross Profit		**9.817.614**	**22.436.786**
Other income	**9**	1.326.080	979.209
Administrative expenses	**10,13**	(5.580.023)	(6.013.600)
Selling expenses	**11,13**	(749.685)	(656.911)
Other expenses	**14**	(43.284)	(609.699)
Operating profits		**4.770.702**	**16.135.785**
Net financial income	**(o), 15**	3.153.849	2.558.180
Net earnings before tax		**7.924.551**	**18.693.965**
Income tax	**(g), 16**	(2.621.361)	(4.825.572)
Net profit for the period		**5.303.190**	**13.868.394**
Basic earnings per share net of tax (in €)	**(p), 17**	**0,5261**	**1,3758**

THE CHAIRMAN OF THE BOARD OF DIRECTORS / ThPA S.A.	THE MANAGING DIRECTOR ThPA S.A.	THE FINANCIAL MANAGER No.	THE ACCOUNTANT
L. Kanavouras	I. Tsaras ID Card No. P	G. Kokkinos ID Card No. AE214331	M. Hondroulaki Lic. No. 0039369

(The notes which follow (numbered 1 to 39) and Annex I constitute an integral part of these financial statements)

THESSALONIKI PORT AUTHORITY S.A.

STATEMENT OF CHANGES IN EQUITY (31 DECEMBER 2007 AND 31 DECEMBER 2008)

(amounts in €)

	Share capital	Dividends available to increase share capital	Statutory Reserves	Untaxed reserves	Total Reserves	Accumulated profits	Total
Equity at start of period (1.1.2007)	**30.240.000**	**1.063.536**	**983.728**	**59.128.478**	**61.175.742**	**11.394.969**	**102.810.710**
Period earnings net of tax	-	-	-	-	-	13.868.394	13.868.394
Carried forward to reserves			169.566		169.566	(169.566)	
Dividends distributed						(2.016.000)	(2.016.000)
Equity at end of period (31.12.2007)	**30.240.000**	**1.063.536**	**1.153.294**	**59.128.478**	**61.345.308**	**23.077.796**	**114.663.104**
Period earnings net of tax	0	0	0	0	0		0
Equity at end of period (31.12.2006)	**30.240.000**	**1.063.536**	**1.153.294**	**59.128.478**	**61.345.308**	**23.077.796**	**114.663.104**
Period earnings net of tax	-	-	-	-	-	5.303.190	5.303.190
Carried forward to reserves			685.845		685.845	(685.845)	0
Dividends distributed		(1.063.536)	-	-	(1.063.536)	(4.636.800)	(5.700.336)
Equity at end of period (31.12.2008)	**30.240.000**	**0**	**1.839.138**	**59.128.478**	**60.967.616**	**23.058.342**	**114.265.958**

THE CHAIRMAN OF THE BOARD OF DIRECTORS / ThPA S.A.	THE MANAGING DIRECTOR ThPA S.A.	THE FINANCIAL MANAGER No.	THE ACCOUNTANT
L. Kanavouras ID Card No. AB 712218/06	I. Tsaras ID Card No. P 723030/95	G. Kokkinos ID Card No. AE214331	M. Hondroulaki Lic. No. 0039369

(The notes which follow (numbered 1 to 37) and Annex I constitute an integral part of these financial statements)

THESSALONIKI PORT AUTHORITY S.A.

CASH FLOWS

	31.12.2008	31.12.2007
Operating activities		
Earnings before tax	7.924.551	18.693.965
Plus/Minus adjustments for:		
Depreciation	3.822.665	3.780.115
Provisions	625.420	-489.587
Earnings from adjustment in investment properties to fair values	-313.222	-202.000
Interest received	-3.221.236	-2.823.038
Results (income, expenses, profits & losses) from investing activities	150.215	-28.184
Interest charges and related expenses		
Plus / minus adjustments for changes in working capital accounts or related to operating activities		
Reduction / (increase) in inventories	-123.628	-11.301
Reduction / (increase) in receivables	529.545	-1.550.976
Reduction /(increase) in liabilities (excl. banks)	168.552	1.058.742
Less:		
Interest charges and related paid-up expenses	-7.917	-5.043
Tax paid	-6.339.669	-838.721
Total inflow/(outflow) from operating activities (a)	***3.215.274***	***17.583.972***
Investing Activities:		
Acquisition of subsidiaries, affiliates, joint ventures and other investments		
Purchase of intangible and tangible assets	-7.119.708	-5.616.945
Proceeds on sale of intangible and tangible assets		
Sale / (purchase) of long-term financial instruments		
Dividends collected		
Interest received	3.229.153	2.828.081
Total inflow/(outflow) from investing activities (b)	***-3.890.555***	***-2.788.864***
Financing Activities		
Proceeds from increase in share capital		
Proceeds on loans issued / taken out		
Loan repayment		
Leasing arrangement liabilities paid (instalments)		
Dividends paid	-5.712.526	-2.016.000
Total input / (output) from financing activities (c)	**-5.712.526**	**-2.016.000**
Net increase / (reduction) in cash and cash equivalents for the period (a)+(b)+(c)	***-6.387.807***	***12.779.108***
Cash and cash equivalents at the beginning of the period	60.470.996	47.691.888
Cash and cash equivalents at the end of the period	54.083.189	60.470.996

The Chairman of the BoD/ThPA SA	The Managing Director/ThPA SA	The Financial Manager No.	The Accountant
L. Kanavouras	**I. Tsaras**	**G. Kokkinos**	**M. Hondroulaki**
ID Card No. AB 712718/06	ID Card No. P 723030/95	ID Card No. AE 214331/07	Lic. No. 0039369

NOTES ON FINANCIAL STATEMENTS

for the period ended on 31/12/2008
(amounts in € unless otherwise stated)

1. INCORPORATION AND COMPANY OPERATIONS:

The company with the corporate name **Thessaloniki Port Authority S.A.,** trading as ThPA S.A. was established in 1999 when the public law body corporate, Thessaloniki Port Authority, was converted into a societe anonyme pursuant to Law 2688/1999.

The company is involved in transport auxiliary and related activities and travel agency activities (STAKOD 08 classification code 52) providing cargo loading/unloading, storage services and other port handling and passenger handling services.

In the fiscal years which ended on 31/12/2008 and 31/12/2007 the company employed 541 and 571 people respectively.

2. LEGAL FRAMEWORK

The company is supervised by the Ministry of Mercantile Marine and operates pursuant to the provisions of Law 2688/1999 (Government Gazette 40/A) as amended and supplemented by the provisions of Article 15 of Law 2881/2001 and Article 17 of Law 2892/2001, the provisions of Codified Law 2190/1920 on societes anonyme and Legislative Decree 2553/1953 as in force from time to time. ThPA S.A. is a public utility enterprise operating in the public interest in accordance with private economy considerations and in administrative and financial terms is independent from the State.

The purpose of the company is to manage and exploit the Port of Thessaloniki and/or other ports. The boundaries of the Port of Thessaloniki zone, including the Thessaloniki Free Zone, are laid down in the applicable provisions in force from time to time.

Pursuant to Article 3 of its Articles of Association, the company's purpose is:

- To provide ship berthing and cargo and passenger transit services to and from the port.

- To install, run and exploit all manner of port infrastructure.

- To take up all activities related to the port and all other commercial, industrial, oil or business activities including tourism, culture, fishing activities and the planning and running of port services.

- Any other duties assigned to ThPA under law as a body governed by public law.

The Company's purpose has been enshrined in its Articles of Association which was included in Article VIII of Law 2688/1999 and amended by the 7th Extraordinary General Meeting of shareholders on 23/8/2002 (Societes Anonyme and Limited Liability Companies Bulletin of the Government Gazette No. 9944/30/9/2002). Since that date no other changes have been made to its corporate purpose.
As far as its corporate operations are concerned, ThPA S.A. will continue to be governed by Law 2688/1999 as amended and in force, which is the special legal basis for its operations, but also be Codified Law 2190/1920 as amended an in force, on issues which are not specifically regulated, and by Law 3016/2002 as in force.

3. CONCESSION AGREEMENT - RIGHT TO USE AND EXPLOIT THE PORT LAND ZONE AT THE PORT OF THESSALONIKI

The Company has the exclusive right to use and exploit the land, buildings and facilities at the Port of Thessaloniki Port Land Zone which are the property of the Greek State. This exclusive right was conceded to ThPA S.A. for 40 years by means of the concession agreement of 27 June 2001 signed by the Greek State (represented by the Ministers of Finance and Mercantile Marine) and ThPA S.A. and expires in 2041. This contract was ratified by Law 3654/2008 on 3.4.2008 and approved by the Ordinary General Meeting of shareholders in ThPA S.A on 30.6.2008. Under this law the initial duration of the contract was extended from 40 to 50 years with the result that it now expires in 2051 and the exclusive right of ThPA to use and exploit plots / buildings and facilities can be conceded by ThPA to third parties for purposes related to port services and facilities for a period not exceeding the contract effective term.

The main features of the contract after publication of Law 3654/2008 are as follows:

- The right of use covers all land sections outdoors or under roof, existing buildings, port & technical works, embankments, service roads, the railway network, public utility networks, extensions to sites & works, the port maritime zone, all premises on the port land zone save for buildings housing public services, parts of the land and maritime port zone used by divisions of the Greek Armed Forces for national security purposes, specially designed buildings on Pier 1 and its surroundings.

- The right to use and exploit the port consists of ThPA's ability during such time as the agreement is in effect to hold, use and operate the port land zone, and its buildings and facilities and to concede those rights to third parties providing port services in accordance with the specific provisions of paragraph 3 of the agreement.

- The initial concession is for 50 years but that may be extended if a new written agreement is concluded by the parties (Article 4 of the Agreement).

- The agreement may be rescinded and terminated before the concession period ends.

- Termination or expiry shall automatically oblige ThPA S.A. to hand back the conceded areas to the State in the condition specified in Article 6.4 of the Agreement.

- Consideration (a percentage of the total consolidated income of the company less extraordinary income from prior periods and income from financial management) is payable at a rate of 1% for the first 3 years and 2% for the remaining years. Additional considerable is payable:
    - where the concession area is extended
    - where facilities are utilised for other purposes and
    - Where the agreement is renegotiated.

- ThPA is obliged:
    - to carry out preventative maintenance on the works – buildings conceded and the repair and restore wear and tear.
    - to comply with the strategic, social and business purpose of the concession arrangement.

- to ensure adequate and safe infrastructure and facilities.
- to safely demarcate and protect the Free Zone.
- to treat users fairly.
- to protect the land and marine environment.
- to constantly improve the level of user services.

- The Greek State is obliged to provide the necessary assistance:
  - to ensure that the purpose of the concession arrangement is achieved and
  - to finance works in the national interest in accordance with the provisions of Article 11 of the Agreement.

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) ***Basis of preparation of the Financial Statements*** The attached financial statements have been prepared in accordance with the historic cost principle, apart from the valuation of the Company's investment properties which were valued at fair value, while the previous adjustment made in May 2000 was used for other fixed assets, done before ThPA was listed on ATHEX, as the presumed cost on that date. They have also been prepared on the assumption that the company is a going concern. The financial statements have been prepared in line with the IFRS published by the IASB and the interpretations issued by the IFRIC and adopted by the EU. The company prepared financial statements in line with the IFRS for the first time for the period which ended on 31/12/2005. The annual financial statements are presented in euro. Note that any small discrepancies are due to rounding off the figures.

(b) ***First-time adoption of the IFRS:*** Pursuant to Regulation (EC) No 1606/2002 and Law 3329/2004 (amended by Law 3301/2004) Greek companies listed on any equities exchange in Greece or abroad are obliged to prepare financial statements for accounting periods commencing from 1/1/2005 onwards in line with the IFRS. Pursuant to IFRS 1 and the aforementioned Greek legislation the said companies are obliged to present comparative financial statements in line with the IFRS for at least one accounting period (from 31/12/2004 onwards).

ThPA S.A. published its first fully IFRS-compliant financial statements for the accounting period which ended on 31/12/2005 with the transition date being 1/1/2004. Consequently the company applied IFRS 1 when preparing the first annual financial statements and the interim periods covered by those first complete IFRS-compliant financial statements. The Company took avail of the following exceptions to application of other standards:

- It used the adjusted valuations of fixed asset equipment calculated by the Article 9 Codified Law 2190/1920 committee when ThPA was transformed from a body governed by public law to a societe anonyme and the company was listed on the Athens Exchange in 2001 as the presumed cost on that date (Note 18).
- All accumulated actuarial profits/losses identified during the actuarial valuation of provisions for staff liabilities (termination compensation) were recognised on 1/1/2004 (the transition date) (Note 29).

The other optional exceptions in paragraph 13 and mandatory exceptions in paragraph 26 of IFRS 1 were not applied to the financial statements for the 2004 period.

(c) ***National financial statements:*** The company keeps its accounting books and records and prepares its financial statements in line with Greek commercial law (Codified Law 2190/1920), the Greek general chart of accounts and Greek taxation law. The attached financial statements have been based on the said national financial statements suitably adjusted and revised based on off-book entries to comply with the IFRS.

(d) ***New international financial reporting standards and IFRIC interpretations***

The IASB and IFRIC have already issued a series of new accounting standards and interpretations which become mandatory for accounting periods which commence from 1/1/2006 onwards (unless otherwise stated below).

(d, a) Standards adopted by the EU

The Company's assessment about the impact of implementation of these new standards and interpretations is set out below”

- IAS 19 (Amendment): Employee benefits

This is not applicable to the Company and will not affect its financial statements.

- IAS 21: The effects of changes in foreign currency rates.

This is not applicable to the Company and will not affect its financial statements.

- IAS 39 (Amendment): Cash flow hedges in foreseeable intra-group transactions.

This is not applicable to the Company and will not affect its financial statements.

- IAS 39: Recognition and measurement of fair value.

This is not applicable to the Company and will not affect its financial statements.

- IAS 39 & IFRS 4: Insurance Contracts – Financial Guarantee Contracts

This is not applicable to the Company and will not affect its financial statements.

- IFRS 1 & IFRS 6: Exploration for and evaluation of mineral resources

This is not applicable to the Company and will not affect its financial statements.

- IFRS 1 & IFRS 7: Financial Instruments - Disclosures:

This applies for accounting periods commencing on or after 1/1/2007. It is not expected to have a significant impact on the Company's financial statements.

- IFRIC 3: Emission rights

This is not applicable to the Company and will not affect its financial statements.

- IFRIC 4: Determining whether an arrangement contains a lease

The financial statements are not affected.

- IFRIC 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds

This is not applicable to the Company and will not affect its financial statements.

- IFRIC 6: Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

This is not applicable to the Company and will not affect its financial statements.

- IFRIC 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

Applicable from 01/03/2006. This is not applicable to the Company and will not affect its financial statements.

- IFRIC 8: Scope of IFRS 2:

Applicable from 01/05/2006. This will not affect the Company's financial statements.

- IFRIC 9: Reassessment of Embedded Derivatives.

Applicable from 01/06/2006. This is not applicable to the Company and will not affect its financial statements.

- IFRIC 10: Interim Financial Reporting and Impairment

Applicable from 01/11/2006. The financial statements are not affected.

- IFRIC 11 & IFRS 2: Group and Treasury Share Transactions.
Applicable from 01/03/2007. This is not applicable to the Company and will not affect its financial statements.
- IFRIC 13: Customer Loyalty Schemes
Applicable to annual accounting periods commencing on or after 1/7/2008. The company is currently assessing whether this interpretation will have any impact on it.
- IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Applicable on or after 1/1/2008. This is not applicable to the Company.
- IFRS 8: Operating Segments
Applicable from 1/1/2009. This is applicable to the Company and will affect its financial statements.
- IAS 23: Borrowing Costs- Amendment
Applicable to annual accounting periods commencing on or after 1/1/2009. Not applicable to the Company.
- IAS 1: Presentation of Financial Statements – Amended.
This is applicable to the Company and will affect its financial statements.
- IAS 2 (Amendment): Share-based payment
Applicable to annual accounting periods commencing on or after 1/1/2009.
- IFRS 3: Business Combinations and IAS 27: Consolidated and Separate Financial Statements. **This is not applicable to the Company.**
- IAS 32 and IAS 1: Amendments – Puttable instruments.
These amendments will not affect the financial statements.
Amendments to the following IFRS:
- IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (and consequent amendments to IFRS 1 – First-time application).
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.
IAS 10: Events after the balance sheet date.
IAS 16: Property, plant and equipment (and consequent amendment of IAS 7: Cash flow statements).
IAS 18: Revenue.
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance.
IAS 27: Consolidated and Separate Financial Statements.
IAS 28: Investments in associates (and consequent amendments to IAS 32: Financial Instruments: Presentation, and IFRS 7: Financial Instruments: Disclosures).
IAS 29: Financial Reporting in Hyperinflationary Economies
IAS 31: Interests in Joint Ventures (and consequent amendments to IAS 32: Financial Instruments: Presentation, and IFRS 7: Financial Instruments: Disclosures).
IAS 34: Interim Financial Reporting
IAS 36: Impairment of Assets
IAS 38: Intangible assets
IAS 40: Property investments (and consequent amendments of IAS 16) and
IAS 41: Agriculture.
It is expected that these amendments will not significantly affect the Company’s financial statements.

(d, b) Standards not adopted by the EU

- IFRIC 12: Service Concession Agreement.

Applicable from 01/01/2008. Application will be examined when it is adopted.
- IFRIC 15: Agreements for the construction of real estate
Applicable from 1/1/2008. This is not applicable to the Company.
- IFRIC 16: Hedges of a net investment in a foreign operation
Applicable from 1/10/2008. This is not applicable to the Company.
- IFRIC 17: Distributions of non-cash assets to shareholders
Applicable from 1/7/2009. This is not applicable to the Company.

(e) ***Approval of the financial statements:*** The financial statements for the period ended on 31/12/2008were prepared in line with the IFRS and approved by the Board of Directors on 27/03/2009 (ThPA Board of Directors Decision No. 4001/27/3/2009). The annual financial statements for the 2007 period were published in March 2007 and were approved by ThPA Board of Directors Decision No. 3677/27.3.2008.

(f) ***Management Assessments:*** Preparing financial statements in line with the IFRS requires that Company Management make assumptions and assessments which affect other asset and liability accounts, disclosure of contingent assets and liabilities on the financial statement date and the income and expenses presented in the period being examined. Consequently the actual results may differ from those assessments.

5. SUMMARY OF MAIN ACCOUNTING PRINCIPLES

The main accounting principles used by the Company in preparing the attached financial statements are as follows:

(a) Foreign Exchange conversion

(i) ***Functional and presentation currency:*** The assets presented in the Company financial statements are valued in the currency of the economic environment in which it operates (functional currency). The financial statements are presented in Euro, which is the company's functional currency.

(ii) ***Transactions and balances:*** There are no company transactions and balances in foreign currencies during the periods covered by the dates cited in these financial statements.

(b) ***Investments in Property:*** The company owns four plots of land outside the Port Zone which are held to generate rent or increase the value of its capital. The company has chosen the fair value method for valuing its investment properties.
Profits or losses arising from a change in fair value in property investments are included in the net profit or loss for the period in which that change occurs.

(c) ***Property, plant and equipment:*** Making use of the provisions of IFRS 1 (First time adoption of the IFRS) the Company used the exception concerning valuation of property, plant and equipment when preparing the IFRS transition balance sheet on 1/1/2004. In this regard it considered the adjusted value of tangible assets calculated by the Article 9 Codified Law 2190/1920 committee in May 2000 when ThPA was converted from a body governed by public law to a societe anonyme before it was listed on the Athens Exchange as the deemed cost for the purpose of preparing the transition balance sheet dated 1/1/2004.

After the transition date the property, plant and equipment were valued at deemed cost or acquisition cost (for additions) less accumulated depreciation and any impairment.

The acquisition cost of fixed assets consists of the purchase price including import tariffs if applicable, and non-rebateable taxes and any other cost required to make the asset functional and ready for future use. Repairs and maintenance costs are expensed in the period in which they are incurred. Major later additions and improvements are capitalised at the cost of those assets.

Assets manufactured by ThPA S.A. are posted at own manufacture cost which includes the cost of subcontractors, materials and pay for technical staff in relation to structures (including employer social security contributions) and a proportion of overheads.

Fixed assets under construction include assets being constructed presented at cost. Fixed assets under construction are not depreciated until the asset is completed and available for the use for which it is intended.

Plots – lots are not depreciated. Depreciation of other property, plant and equipment is done using the straight line method based on the following useful lives for each asset category:

Fixed assets	Useful life (years)
Buildings & Technical works	15-40
Mechanical facilities	8-10
Bridge cranes – engine- & electricity-powered cranes	30-40
Loaders	7-15
Machinery	10-15
Loading tools	15
Forklifts	10-15
Floating transports	10-20
Furniture and other equipment	6-10
Computers, electronic assemblies - office equipment	3-5

Depreciation of fixed assets which existed on 1/1/2004 was calculated at deemed cost calculated by the Article 9 Codified Law 2190/1920 committee when ThPA was converted from a body governed by public law to a societe anonyme before it was listed on the Athens Exchange.

To calculate taxable income ThPA S.A. calculates depreciation using the rates contained in Article 34 of Law 2937/2001 and the maximum rates contained in Presidential Decree 299/2003.

The useful lives of property, plant and equipment are re-examined on each balance sheet date. Residual values are not calculated by the company because under Article 32 of Law 3153/2003 the proceeds from the sale of fixed assets devolve to the State.
Company non-operating assets are divided into:

- scrap assets which are deleted from the books.
- assets held for sale, in line with IFRS 5 for which no depreciation is recorded.
- all those not meeting the above criteria for which depreciation is recorded.

(d) ***Fixed asset impairment:*** According to I.A.S. 36, real estate, the facilities, equipment, and intangible fixed assets are be assessed for possible value impairment when there are indications that the book value of the fixed asset exceeds its recoverable value. Whenever the book value of a fixed asset exceeds its recoverable amount, its corresponding impairment loss is presented in the results. The recoverable value of a fixed asset is either he estimated net sale value or the value in use whichever is higher. The net sale price is considered to be the realisable proceeds from the sale of an asset in the context of a two-way transaction in which the parties are fully cognisant and which they enter into freely, having deducted all additional direct selling costs for the asset, while the value in use is the current value of the estimated future cash flows expected to accrue to the enterprise from the use of an asset from its sale at the end of its estimated useful life. If an enterprise is not in a position to estimate the recoverable amount of a fixed asset, for which there is indication of impairment, it defines the recoverable amount of cash-generating unit to which the asset belongs.
Impairment losses for assets booked in previous years may only be reversed where there are satisfactory indications that such impairment no longer exists or has reduced. In such cases the reversal is recognised as income.

Management considers that there is no question of impairment of Company equipment and consequently does not calculate the recoverable value of assets.

(e) ***Intangible assets:*** Intangible assets relate to the cost of purchasing software and all expenses incurred to develop software in order for it to be commissioned. Depreciation of software is booked based on a fixed line method over a period of 3 to 5 years.

(f) ***Financial assets:*** A financial instrument is any contract which generates a financial asset for an undertaking and a financial liability or equitable title in another undertaking.
The company's financial instruments are classified into the following categories based on the substance of the contract and the purpose for which they were acquired.
i) Financial instruments acquired at fair value presented in the income statement These are financial assets which meet the following conditions:
- Financial assets held for trade (including derivatives, apart from those are designated, effective hedging instruments, whose acquired or generated for sale or repurchase and lastly those which are part of a portfolio comprised of recognised financial instruments).
Upon initial recognition, the undertaking defines them as assets acquired at fair value with changes being recognised in the income statement.
Realised and unrealised profits or losses arising from changes in fair value of financial assets impaired to their fair value by changed in the results are recognised in the income statement for the period in which they arise.
The purchase and sale of investments are posted on the date of the commercial transaction, which is the date on which the company commits to purchasing or selling the asset. Investments are initially posted at fair value which is augmented by expenses directly attributable to the transactions with the exception, in relation to expenses directly attributable to the transaction, of those assets valued at fair value with changes posted to results. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.
The fair values of financial assets quoted on active markets are designated based on current demand prices. In the case of assets not so traded, fair values are designated using valuation techniques such as recent transaction analysis, comparables and cash flow discounts. Equity

titles not traded on an active market classed as financial assets available for sale whose fair value can be reliably designated are valued at acquisition cost.

ii) Loans and receivables: These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company provides interest-bearing and interest-free loans to its staff. All loans to staff are initialled recognised at cost, which is the actual value of the amount received less the cost of loan issuing expenses. Following initial recognition, loans are valued at cost, which does not differ significantly from their carried cost, using the effective interest rate. Short-term receivable are booked at the value of the commercial transaction less provisions for bad debt. Long-term receivables with a specific repayment date were valued at acquisition cost, which does not differ significantly from their present value using the discount interest rate in line with the provisions of IAS 39 and IAS 18.

iii) Held-to-maturity investments: This includes non-derivative financial assets with fixed or determinable payments and a specific maturity date which the company intends to and is capable of holding to maturity. These assets are valued using the depreciated cost method with changes being recognised in the income statement.

iv) Accounting for derivatives and hedging operations: Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are measured at their fair value. The method for recognising profits or losses generated depends on the nature of the asset whose risk is hedged.

(g) ***Income tax (current and deferred):*** Current and deferred income tax is calculated based on the relevant financial statement accounts based on the taxation laws which apply in Greece. Current income tax relates to tax on the taxable profits of each company adjusted based on tax law requirements and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method on all interim differences on the balance sheet date between the taxation basis and the book value of the assets and liabilities.

Expected tax discounts from interim tax adjustments are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are posted for all tax deductible interim difference and tax losses carried forward to the extent that this is likely that there will be taxable profits available in respect of which the interim difference can be utilised.

The book value of deferred tax assets is revised on each balance sheet date and reduced to the extent that it is not considered likely that there will be sufficient taxable profits for which all or part of the deferred tax assets can be used.

Current tax assets and liabilities for the current and past accounting periods are valued at the figure expected to be paid to the tax authorities (or recovered from them) using tax rates (and tax laws) which have been adopted or substantively adopted by the balance sheet date.

(h) ***Inventories:*** Consumables and spare parts used to maintain company mechanical equipment are valued at either cost price or net realisable value, whichever is lower, and their cost is calculated using the weighted average cost. Consumables are posted as inventories when purchased and after used are posted to expenses or capitalised. At the end of each period the

Company re-examines the possibility of its inventories having become obsolete and makes a provision or deletes them from the books (Note 23).

(i) ***Trade receivables:*** Receivables from customers are posted initially at fair value and later valued at carried cost using the effective interest rate less impairment losses. Where the carried cost or cost of a financial asset exceeds its present value, then the asset is valued at its recoverable amount, in other words at the present value of future cash flows calculated using the effective interest rate. The loss is presented directly in the results. Impairment losses are recognised in the results when there are objective indications that the company is not in a position to collect the amounts due based on contractual terms.

(j) ***Cash and cash equivalents:*** Cash and cash equivalents include cash, sight deposits and short-term investments of up to 3 months which are highly-realisable and low risk.

(k) ***Share capital:*** The share capital includes the company's ordinary shares.

(l) ***Provisions for risks and expenses – contingent liabilities:*** Provisions for risks and expenses are recognised when the company has a current legal or presumed commitment as a result of past events or when it is likely that there is a resource outflow which entails financial benefits and the relevant commitment can be reliably assessed. The company re-examines the need to form provisions at the end of each year and adjusts them so that they reflect the best possible assessments and in the case where this is considered necessary discounts them based on a reasonable pre-tax discount rate.
Contingent liabilities are not posted to the financial statements but are disclosed unless the likelihood of a resource output incorporating financial benefits is minimal. Contingent assets are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.

(m) ***Government Grants:*** The Company has received grants from Community programmes to acquire intangible and tangible assets. Grants are recognised when there is a reasonable assurance that the grant will be collected and that the relevant terms and conditions will be complied with. Asset grants are recognised as income for future periods and depreciated in line with the useful life of the grant-aided asset. The depreciation of grant-aided assets is presented in the Other Income account in the income statement.
Grants covering part of the expenses paid, received from the Manpower Employment Agency, to employ students on work practice, and from the ESF are posted in the Other Income account (Note 9).

(n) ***Dividends:*** Dividends are posted when the General Meeting of Shareholders issues a decision giving shareholders the right to collect them.

(o) ***Income recognition:*** Income is valued at the value of the commercial transaction and booked in the accounting period to which it relates. On the date of the interim financial statements all manner of accrued, non-invoiced income from services in the period those statements relate to (income from services, or from capital, etc.) is booked. The most important categories of income for the Company are as follows:

- **Income from unitised cargo transport comprising:**
  - Income from Container Terminal services

- Income from Container Services

- **Income from conventional cargo transport comprising:**
  - income from loading/ unloading services at conventional port
  - income from the provision of hull S/S services
  - Income from stalling services
  - Income from Silo services

- **Income from services to passengers on coastal and cruise ships comprising:**
  - Income from other services (special duty) on tickets
  - Income from vehicle passage
- **Income from services to ships and other services comprising:**
  - Income from mooring and berthing
  - Income from other services (electricity, telecommunications, spent oils collection, use of sites).
- **Income from operation of organised parking lots.**

(p) ***Earnings per share:*** The earnings per share are calculated by dividing the net profits payable to ordinary shareholders by the average weighted number of shares in circulation during the period. There are no debentures convertible to stock or other potential instruments convertible to stock which would reduce profits during the periods to which the financial statements relate and consequently reduced profits per share have not been calculated.

(q) ***Segment reporting:*** The company operates as a single unit providing port services at the Port of Thessaloniki. In this context it is not obliged to prepare and disclose financial data per operating segment in line with the requirements of IAS 14: Segment Reporting.
It should be noted that in general of geographical segment reporting, all company activities are conducted within the Thessaloniki wider area and consequently this is deemed to be one geographical area.

(r) ***Provisions for post-employment benefits:*** Post-employment benefits include defined benefits plans. The accrued cost of fixed contribution plans is posted as an expense in the period to which the cost relates.
The company pays compensation to retiring employees in accordance with the provisions of the applicable sectoral collective labour agreements in effect from time to time, up to the maximum amount stated in Article 2 of Law 173/1976 as in force from time to time.
The liability posted to the balance sheet for defined benefit plans is the present value of the commitment to provide a defined benefit and the changes which arise from non-recognised actuarial profits or losses and the cost of previous service. Independent actuaries using the projected unit credit method calculate the defined benefit obligation each year.
Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability are posted to the income statement over the average remaining service lives of the employees participating in the plan. The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using a straight-line method within the maturity period.

(s) ***Leases:*** Leases where the Lessor has substantially retained all the risks and rewards of ownership of the assets are classified as operating leases. The lease payments made for operating leases are posted as expenses - income to the results on a systematic basis during the lease.

6. RISK MANAGEMENT

Financial risk factors

The company is not exposed to major financial results such as market risk, changes in foreign exchange rates or purchase prices, credit risk, or liquidity risk. The company's financial instruments are bank deposits (sight and time deposits), and trade debtors and creditors.

(a) Market Risk

(i) ***Exchange rate risk:*** The company does business with Greek and foreign customers and the transaction currency is the Euro. Consequently there is no foreign exchange risk.

(ii) ***Price risk:*** The company is not exposed to price risk because it is a service provider and is not affected by changes in the prices of raw materials. The services provided are priced based on a published price list and prices are increased or reduced when the Company considers that necessary. The cost of services provided, which consists primarily of the cost of payrolling, is affected by increases in pay thanks to inflationary pressures. The Company is also affected to a small degree by the price risk one commercial paper it holds with a nominal value of € 1 million which has been valued at fair value in profit and loss. A change in fair value of ± 5% would affect the results for the period by ± € 50,000. The Company is also affected by changes in the fair value of investment properties. A change in property prices by ± 5% would bring about a € 358,011 change in results for the period.

(iii) ***Interest rate risk:*** The company holds several securities whose cash flows are determined by a floating interest rate tied to EURIBOR. Based on the securities held on 31/12/2008 an increase (decrease) in the interest rate in the order of + or -1% would cause an increase (decrease) in results for the period of € 130,000. The company is not exposed to the risk of interest rate fluctuations since it has not loans. The Company has short-term time deposits which are easily convertible to cash. An increase (decrease) in the interest rate of + 1% or -1% would bring about an increase (decrease) in results for the period of around € 500,000.

(b) Credit Risk:

Company exposure to credit risk is limited to the financial assets which are referred to in notes 21, 24 and 26.

The credit risk the company is exposed to vis-à-vis customers is minimal (a) due to its large customer base and (b) since as standard practice it obtains advances before commencing work carried out.
Moreover, as far as financial assets and cash and cash equivalents are concerned, Company Management implements a spread-based policy in relation to the number of banks it does business with and has a policy for evaluating their creditworthiness.

(c) Liquidity risk:

The company is not exposed to liquidity risk since its operating expenses are covered by cash equivalents accounting for 83% of its current assets. The maturity of financial liabilities on 31/12/2008 is shown in note 32 (short-term liabilities).

(d) Capital risk management

The company does not use loan capital and thus its gearing ratio is zero.

(e) Fair value

The amounts shown in the balance sheets for cash, receivables and short-term liabilities are close to the relevant fair values due to their short-term maturity.

(f) Financial instruments – reconciliation per presentation category:

31/12/2008	Loans & Receivables	Financial instruments acquired at fair value presented in the income statement	Investments held to maturity	Cash flow hedges	Financial assets held for sale	Total
Assets presented in the balance sheet						
Other financial assets			11,773,670			**11,773,670**
Trade receivables	4,693,521					**4,693,521**
Financial instruments acquired at fair value presented in the income statement		700,000				**700,000**
Cash on hand	54,083,189					**54,083,189**
Total	**58,776,710**	**700,000**	**11,773,670**	**0,00**	**0,00**	**71,250,380**

31/12/2007	Loans & Receivables	Financial instruments acquired at fair value presented in the income statement	Investments held to maturity	Cash flow hedges	Financial assets held for sale	Total
Assets presented in the balance sheet						
Other financial assets			11,608,884			**11,608,884**
Trade receivables	6,313,769					**6,313,769**
Financial instruments acquired at fair value presented in the income statement		1,015,000				**1,015,000**
Cash on hand	60,470,996					**60,470,996**
Total	**66,784,765**	**1,015,000**	**11,608,884**	**0,00**	**0,00**	**79,408,649**

31/12/2008	Cash flow hedges	Liabilities valued at fair value presented in the income statement	Liabilities valued at depreciated cost	Total
Liabilities presented in the balance sheet				
Long-term loans	0	0	0	0
Short-term loans	0	0	0	0
Total				

31/12/2007	Cash flow hedges	Liabilities valued at fair value presented in the income statement	Liabilities valued at depreciated cost	Total
Liabilities presented in the balance sheet				
Long-term loans	0	0	0	0
Short-term loans	0	0	0	0
Total				

7. SALES

	1/1-31/12/2008	1/1-31/12/2007
Income from Container Terminal services	9,256,165	12,587,182
Income from loading and unloading services at the Conventional Port	18,291,415	19,417,038
income from the provision of hull S/S services		633,172
Income from container services	15,041,372	26,981,255
Income from mooring and berthing	1,294,146	1,640,098
Income from silo services	520,349	587,560
Income from operation of organised parking lots.	1,187,094	1,152,932
Income from other services	3,751,857	3,285,709
Total	**49,342,398**	**66,284,947**

8. COST OF GOODS SOLD

	1/1-31/12/2008	1/1-31/12/2007
Staff salaries and expenses (Note 13)	26,686,649	30,722,699
Third party fees and expenses	283,138	292,448
Charges for outside services	6,217,982	6,186,469
Taxes - Duties	177,594	153,567
Other expenses	192,682	124,799
Depreciation (Note 12)	3,682,604	3,604,544
Staff termination indemnity (Notes 13, 29)	213,886	194,054
Consumables – spare parts	2,177,276	2,611,478
Less: Production of assets for own use	-107,028	-41,898
Total	**39,524,783**	**43,848,161**

9. OTHER INCOME

	1/1-31/12/2008	1/1-31/12/2007
OAED subsidies	26,334	72,035
Income from rents	710,240	614,672
Income form other grants – subsidies	115,504	
Highway Code fines	26,206	39,558
Asset grant depreciation	7,912	
Income from value adj. of investment properties	313,222	202,000
Other	126,661	50,944
Total	**1,326,080**	**979,209**

10. ADMINISTRATIVE EXPENSES

The amounts can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Staff salaries and expenses (Note 13)	3,275,387	3,713,029
Third party fees and expenses	1,185,514	874,593
Charges for outside services	672,180	570,902
Taxes - Duties	12,392	5,498
Other expenses	175,092	84,751
Depreciation (Note 12)	137,844	173,636
Staff termination indemnity (Notes 13, 29)	43,167	42,803
Provision for bad debt		352,165
Consumables – spare parts	78,448	196,224
Total	**5,580,023**	**6,013,600**

11. SELLING EXPENSES

The amounts can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Staff salaries and expenses (Note 13)	204,944	229,556
Third party fees and expenses	1,392	1,435
Charges for outside services	10,978	8,498
Taxes - Duties	32,550	20,178
Other expenses	486,768	385,644
Depreciation (Note 12)	2,217	1,935
Staff termination indemnity (Notes 13, 29)	8,368	9,664
Provision for bad debt	2,470	
Total	**749,685**	**656,911**

12. DEPRECIATION

The amounts can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Tangible asset depreciation (Note 19)	3,655,935	3,634,708
Intangible asset depreciation (Note 20)	166,729	145,407
Total	**3,822,665**	**3,780,115**

13. PAYROLLING COST

The amounts can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Full-time staff salaries	14,967,849	17,540,997
Employer contributions to social security funds	3,050,239	3,092,484
Side benefits	455,597	525,729
Staff compensation	257,239	218,309
Subtotal	**18,730,925**	**21,377,519**
Wages	8,566,449	10,091,868
OAED apprentice wages	185,257	186,639
Employer contributions to social security funds	2,665,474	2,896,072
Side benefits	206,968	266,341
Staff compensation	77,327	93,365
Subtotal	**11,701,475**	**13,534,285**
General total	**30,432,400**	**34,911,805**

The total number of ThPA employees on 31/12/2008 and 31/12/2007 was 541 and 571 respectively.

14. OTHER EXPENSES

	1/1-31/12/2008	1/1-31/12/2007
Tax fines and surcharges	1,263	835
Other prior period expenses	9,362	543,335
Other extraordinary provisions	0	52,154
Other	32,658	13,375
Total	**43,284**	**609,699**

15. FINANCIAL INCOME / EXPENSES (NET)

The amounts can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Interest from banks	3,311,981	2,823,038
Plus/Minus: Financial asset valuation differences (depreciated cost)	164,785	-166,016
Plus/Minus: Financial asset valuation differences (fair value)	-315,000	-93,800
Subtotal	**3,161,766**	**2,563,223**
Interest charges and related expenses	-7,917	-5,043
Subtotal	**-7,917**	**-5,043**
General total	**3,153,849**	**2,558,180**

16. INCOME TAX (CURRENT AND DEFERRED)

The income tax shown in the income statement for the period can be broken down as follows:

	1/1-31/12/2008	1/1-31/12/2007
Current tax	1,995,299	4,573,306
Deferred income tax	116,443	192,265
Income of tax rate reduction	149,619	0
Provision for open tax years	360,000	60,000
Total	**2,621,361**	**4,825,572**

Under the new tax law (Law 3697/25/9/2008) the tax rate applicable to the company until 31/12/2008 is 25% and will remain the same for the 1/1 - 31/12/2009 fiscal year. It will be reduced by 1% on 1/1/2010 and will gradually reduce by 1% each year thereafter until it reaches 20% in 2014.

Tax returns are filed each year, adjusting the book profits with tax adjustment returns, and the profits or losses referred to in them are considered to be interim until a tax audit is carried out by the taxation authorities and a report is issued in which tax liabilities are finalised. Tax losses carried forward from previous periods, to the extent that this is acceptable to the taxation authorities, can be offset against profits from the next five accounting periods.

The table below sets out the reconciliation between the nominal and actual tax rate.

	1/1-31/12/2008	1/1-31/12/2007
Earnings before income tax	7,924,551	18,693,965
Income tax calculated at current rate of 25%	-1,981,138	-4,659,991
Tax impact of non-deducted expenses	-130,604	-195,249
Tax impact of non-taxed income	-	-
Impact from reduction in tax rate	-149,619	89,668
Provision for open tax years	-360,000	-60,000

Income tax expenses in income statement	**-2,621,361**	**-4,825,572**

Deferred income tax is calculated on all interim tax differences using the tax rate which will apply in the period when an asset is realised or a liability settled taking into account the tax rates which have been adopted by the balance sheet date. After the introduction of the new tax rates, the accumulated deferred tax liabilities dropped by € 149,619.

The transactions in the deferred income tax account were as follows:

	1/1-31/12/2008	**1/1-31/12/2007**
Balance at start of period	849,449	1,041,714
Deferred tax in the results	-266,062	-192,265
Balance at end of period	**583,387**	**849,449**

Deferred tax liabilities debited in the attached income statements contain interim tax differences which primarily arise from booked income – profits which will be taxed at a future date. Deferred tax assets primarily relate to interim tax differences arising from specific provisions which are tax deductible when realised.
Deferred tax assets and liabilities are offset when there is an effective legal right to do so and the deferred tax assets and liabilities relate to income tax collected by the same taxation authority.

Deferred income tax assets and liabilities are derived from the following assets:

	Balance Sheet		**Results for the period**
Deferred tax assets	**31/12/2008**	**31/12/2007**	**31/12/2008**
Property, plant and equipment	1.044.098	1.142.296	(98.198)
Investments held to maturity	8,925	44,779	(35,854)
Asset subsidies			
Allowance for value decline of reserves			
Provisions for receivables from Greek State	88,041	88,041	0
Staff termination indemnity	788,796	1,048,603	(259,807)
Gross deferred tax asset	**1,929,860**	**2,323,719**	**(393,859)**
Investments in Property	(1,113,201)	(1,427,069)	313,868
Intangible assets	(11,888)	2,138	(14,026)
Accrued income	(81,250)	0	(81,250)
Provision for bad debt	(140,134)	(49,341)	(90,793)
Gross deferred tax liability	**(1,346,473)**	**(1,474,270)**	**127,798**
Deferred tax in results			**(266,061)**
Net deferred tax asset	**583,387**	**849,449**	

17. PROFITS PER SHARE

The profits per share are calculated by dividing the net profits payable to ordinary shareholders by the average weighted number of shares in circulation during the period.
There are no debentures convertible to stock or other potential instruments convertible to stock which would reduce profits during the periods to which the financial statements relate and consequently reduced profits per share have not been calculated.
The calculation of basic earnings per share on 31/12/2008 was as follows:

	1/1-31/12/2008	**1/1-31/12/2007**
Net profit for shareholders	5,303,190	13,868,394
Weighted average number of shares	10,080,000	10,080,000
Main earnings per share (in euro per share)	**0,5261**	**1,3758**

18. INVESTMENT PROPERTIES

	31/12/2008	**31/12/2007**
Balance at start of period	6,847,000	6,645,000
Income from valuation adjustments	313,222	202,000
Balance at end of period	**7,160,222**	**6,847,000**

The company owns four plots of land outside the Port Zone which are held to generate rent or increase the value of its capital which are free of all liens. The company has chosen the fair value method for calculating the book value of its investment properties. Profits or losses arising from a change in fair value in property investments are included in the net profit or loss for the period in which that change occurs.
A change in property prices by +/-5% would bring about a € 358,011 change in results for the period.
The fair values of investment properties were computed in accordance with the independent valuer's report of 31/12/2008. The method used by the independent valuer was the comparable data or property market method and in particular he examined how the company's plots could be exploited.
The plot at Triandria had been valued at € 0.01 due to the lack of sufficient information to identify its precise location and state. However new data permitted the company to identify its location and state and it was valued by the independent valuer at € 80,721, which due to its low value was entered in the income statement for 2008.

19. TANGIBLE ASSETS

	Lots & buildings	Machinery – mechanical equipment	Transportation Equipment	Furniture and other equipment	Advances & projects under construction	Total
Cost of fixed assets on 1/1/2007	**10,491,361**	**46,497,401**	**4,208,691**	**2,674,975**	**3,409,219**	**67,281,647**
Additions during the period	57,647	2,465,926		187,752	2,828,114	5,539,439
Reductions / deletions					(207,712)	(207,712)
Transfers	152,196		55,516			207,712
Cost of fixed assets on 31/12/2007	**10,701,204**	**48,963,327**	**4,264,207**	**2,862,727**	**6,029,621**	**72,821,086**
Accumulated depreciation to 31/12/2006	1,904,318	18,515,104	2,252,026	1,519,043		24,190,491
Depreciation (Note 12)	474,531	2,728,724	115,310	316,142		3,634,707
Total deprecation to 31/12/2007	**2,378,849**	**21,243,828**	**2,367,337**	**1,835,185**	**6,029,621**	**27,825,199**
Carried value on 31/12/2007	**8,322,355**	**27,719,499**	**1,896,871**	**1,027,542**	**6,029,621**	**44,995,888**
Cost of fixed assets on 1/1/2008	**10,701,204**	**48,963,327**	**4,264,207**	**2,862,727**	**6,029,621**	**72,821,086**
Additions during the period	11,687	906,913	112,942	226,033	5,823,776	7,081,351
Reductions / deletions					(1,331,987)	(1,331,987)
Transfers	379,157	762,787	26,284	147,143		1,315,371
Cost of fixed assets on 31/12/2008	**11,092,048**	**50,633,027**	**4,403,433**	**3,235,903**	**10,521,410**	**79,885,821**
Accumulated depreciation to 31/12/2007	2,378,849	21,243,828	2,367,337	1,835,185		27,825,199
Depreciation (Note 12)	487,474	2,748,363	129,302	290,797		3,655,936
Total deprecation to 31/12/2008	**2,866,324**	**23,992,191**	**2,496,639**	**2,125,982**	**10,521,409**	**31,481,135**
Carried value on 31/12/2008	**8,225,725**	**26,640,836**	**1,906,794**	**1,109,921**	**10,521,409**	**48,404,686**

Company assets are free of encumbrances. The Company has fully depreciated fixed assets with a total acquisition cost of € 4,200,316 of which assets with an acquisition cost of € 2,289,480 are still in use (2.88 %). Of the others, fixed assets with an acquisition cost of € 93,370 will be deleted due to obsolescence and the others have been included in the sell off scheme (Decision No. 3149/29.9.2006). The company has concluded insurance contracts dated 1/7/2006 covering possible risks of earthquake, fire and other risks to its assets from acts of god and also covering general civil liability for electromechanical equipment and buildings which have been conceded to it by the Greek State, and employer's civil liability for machinery, vehicles, electric gantry cranes and ordinary gantry cranes.

20. INTANGIBLE ASSETS

	Software	Advances	Total
Cost of intangible assets on 1/1/2007	**878,562**	**362,000**	**1,240,562**
Additions during the period	42,165	35,340	77,505
Reductions – transfers	362,000	(362,000)	0,00
Cost of intangible assets on 31/12/2007	**1,282,727**	**35,340**	**1,318,067**
Accumulated depreciation to 31/12/2006	700,596		700,596
Depreciation (Note 12)	145,407		145,407
Total deprecation to 31/12/2007	**846,003**		**846,003**
Carried value on 31/12/2007	**436,724**	**35,340**	**472,064**
Cost of intangible assets on 1/1/2008	**1,282,727**	**35,340**	**1,318,067**
Additions during the period	14,038	24,320	38,358
Reductions – transfers	16,618		16,618
Cost of intangible assets on 31/12/2008	**1,313,383**	**59,660**	**1,373,043**
Accumulated depreciation to 31/12/2007	846,003		846,003
Depreciation (Note 12)	166,730		166,730
Total deprecation to 31/12/2008	**1,012,733**		**1,012,733**
Carried value on 31/12/2008	**300,650**	**59,660**	**360,310**

Intangible assets relate to the cost of purchasing software and all expenses incurred to develop software in order for it to be commissioned. Depreciation of software is booked based on a fixed line method over a period of 3 to 5 years.

21. FINANCIAL ASSETS

a) Non-current

Other financial assets	**31/12/2008**	**31/12/2007**
<u>Held to maturity</u>		
Balance at start of period	11,608,884	11,500,000
Additions for period	0	288,000
Adjustments for valuation	164,785	-179,116
	11,773,670	**11,608,884**
Holdings in: ELIME	8,000	8,000
Less value decline allowance	-8,000	-8,000
Total	**11,773,670**	**11,608,884**

b) Current assets

Financial assets at fair value in the results

Balance at start of period	1,015,000	1,090,500
Additions for period	0	0
Adjustments for valuation	-315,000	-75,500
Total	**700,000**	**1,015,000**

The fair value of financial instruments traded on active markets (Stock Exchanges) (e.g. bonds, mutual funds) is determined by the published prices which apply on the balance sheet date.
The fair value of financial instruments not traded on active markets is determined using valuation techniques and the use of methods and assumptions based on market data on the balance sheet date.
The fair value of the assets held to maturity was € 10,454,040.
The valuation of assets held to maturity using the depreciated cost method was € 11,773,670 and the difference of € 164,785 compared to the valuation using the same method on 31/12/2007 was entered in the income statement.
The financial assets in the results on 31/12/2007 were reclassified for comparative purposes as current financial assets rather than non-current assets. There was no change in the balance of these assets.
The value of financial assets at fair value in profit and loss (nominal value of € 1,000,000) on 31/12/2008 stood at 70% (active market) and the negative difference of € 315,000 was entered in the income statement (note 15).

22. LONG-TERM FINANCIAL ASSETS

This account is broken down in the attached financial statements as follows:

	31/12/2008	**31/12/2007**
Electricity guarantees	17,608	17,608
Water supply guarantees	512	512
Battery collection guarantees	150	150
Total	**18,270**	**18,270**

23. INVENTORIES

This account is broken down in the attached financial statements as follows:

	31/12/2008	**31/12/2007**
Consumables	997,095	936,419
Spare parts	872,931	809,978
Less: Provision for impairment	0	0
Total	**1,870,025**	**1,746,397**

The consumables and spare parts are in good operating order and necessary to run the company's electromechanical equipment.

24. RECEIVABLES FROM CUSTOMERS

This account is broken down in the attached financial statements as follows:

	31/12/2008	31/12/2007
Receivables from customers	5,638,958	7,359,327
Less: Provision for bad debt	-945,438	-1,045,558
Total	**4,693,521**	**6,313,769**

Customer and other trade receivable maturity dates were as follows:

31/12/2008

	0 - 3 months	3 - 6 months	6 months and over
Customers	3,473,254	421,544	1,744,160
Less allowances	-	-	-945,438
Total net receivables	**3,473,254**	**421,544**	**798,722**

31/12/2007

	0 - 3 months	3 - 6 months	6 months and over
Customers	5,108,767	553,057	1,697,503
Less allowances			-1,045,558
Total net receivables	**5,108,767**	**553,057**	**651,945**

The figures for doubtful customers and debtors were as follows:

Doubtful customers and debtors on 1/1/2008	2,016,242
Increase	102,590
Decrease	97,891
Balance on 31/12/2008	**2,020,941**

The figures for provisions for doubtful customers and debtors were as follows:

Provisions for doubtful customers and debtors on 1/1/2008	1,715,329
Increase	102,590
Decrease	100,119
Balance on 31/12/2008	**1,717,800**

Since it is standard company practice to obtain down payments (deposits) for work to be done, which are settled at regular intervals, the actual receivables from customers amounted to € 2,142,366 (€ 4,693,521 - € 2,551,155) on 31/12/2008. Each customer account is debited / credited with down payments collected and the final payment for specific invoices corresponding to specific down payments. At the end of each period that balance is presented in the liabilities account 'Customer Down payments'. The majority of customer balances (6 months and over) for which no provision has been formed are covered by deposits. Where contracts have been signed with customers which provided for a discount, a letter of guarantee is also submitted.

The level of those letters of guarantee on 31/12/2008 was € 1,269,743 (compared to € 1,072,343 on 31/12/2007).

25. ADVANCES AND OTHER RECEIVABLES

	31/12/2008		31/12/2007
Advances to staff	444,995		486,493
Loans to staff	119,701		118,831
Grants from the Greek State	352,165		352,165
Other receivables from the Greek State	995,941		44,352
Non-current receivables from currently earned income	1,193,631		782,909
Doubtful debtors	772,362		669,772
Less: Provision for bad debt	-772,362		-669,772
Down payments to suppliers	-		-
Sundry debtors	149,999		91,125
Next period expenses	278,001		301,793
Total	**3,534,432**		**2,177,668**

Non-current receivables from currently earned income came from:
a) Income from Manpower Employment Agency apprentice grants: € 11,016
b) Accrued interest: € 861,342 and
c) Income from non-invoiced work: € 325,000
Staff loans: The company provides its staff interest-bearing and interest-free loans. The total amount of interest-bearing loans which can be granted to staff (office staff and port workers) each year has been approved by the Board of Directors of ThPA S.A. (Decision C 1106/17.12.2001) and cannot exceed the sum of € 117,388.11 per year. When granting loans stamp duty is applied at 2.4 and in the case of interest-bearing loans interest is calculated at a rate equal to the interest rate for 3-month Greek Government notes. The level of interest-bearing loans per employee does not exceed € 3,000 approximately and instalments are withheld from employee salaries. Loans are presented at face value which reflects their fair value.
Employee advances: Salaries for full-time staff are paid in advance on the 1st and 16th day of each month. The amount presented relates to pay advances for full-time staff for the month of January 2009.

26. CASH AND CASH EQUIVALENTS

This account is broken down in the attached financial statements as follows:

	31/12/2008	31/12/2007
Cash	174,342	237,160
Sight Deposits	1,080,934	5,431,219
Time deposits (up to 3 months)	52,827,914	54,802,617
Total	**54,083,189**	**60,470,996**

Sight and time deposit accounts are Euro-denominated and have a floating interest rate depending on the level of money deposited, which on 31/12/2008 ranged from 5% to 7.10% (compared to 3.12 % to 5.15% on 31/12/2007). The current value of these sight and time deposits approximates their book value due to the floating interest rates and their short maturity dates.
Interest from bank deposits is recognised using the accrued interest principle and amounted to € 3,311,981 for the period ended on 31/12/2008 (compared to € 2,823,038 for 2007).

27. SHARE CAPITAL

ThPA's share capital stands at € 30,240,000 divided into 10,080,000 ordinary registered shares with a nominal value of € 3.00 each. The share capital was fully paid up on 31/12/2008. The share capital contains no shares which do not represent company capital or rights to acquire bonds.
By means of decision of the Extraordinary General Meeting of shareholders of 1/3/2007 it was decided to increase the share capital by € 1,063,536 by capitalising the first dividend for the 1st accounting period (2000) and by the sum of € 1,960,464 by capitalising that amount from the special tax-free reserve under Law 2881/2001. The Ordinary General Meeting of shareholders of ThPA on 30.6.2008, following an opinion from the State Legal Council, decided to withdraw the decision of the Extraordinary General Meeting of 1/3/2007 and pay the dividend for the 1st fiscal year to the Greek State and that payment was made on 8/7/2008.

28. RESERVES

This account is broken down in the attached financial statements as follows:

	31/12/2008	31 /12/2007
Statutory Reserve	1,839,138	1,153,294
Special tax-free reserve / Law 2881/2001	57,063,116	57,063,116
Reserve from tax-free income	1,692,535	1,692,535
Reserve from tax preference items	372,827	372,827
Amounts intended for capital increases	-	1,063,536
	60,967,616	**61,345,308**

Statutory Reserve: Under Greek company law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. This reserve cannot be distributed while the company is in operation.

Special tax reserve / Law 2881/2001: This reserve was generated from the non-capitalised part of the equity which arose from valuation of the company's assets on 31.5.2000.

Tax-free reserves and reserves from tax preference items: These relate to income from tax which has not been taxed or for which 15% tax was withheld at source. If distributed, these amounts are then taxed under the general income tax provisions. At present the Company does not intend to distribute these reserves and consequently in line with IAS 12 deferred taxation has not been calculated.

Amounts intended for share capital increases: This relates to the dividend from the 1st accounting period which was not paid and is to be used for share capital increases. On 1/3/2007 the Extraordinary General Meeting decided to capitalise this amount but that procedure has not been completed because the Ministry of Development has yet to approve that increase. Following a decision of the General Meeting on 30.6.2008 on payment of the dividend for 2000, that amount was moved from equity to the short-term liabilities account and the reserves were reduced accordingly.

29. PROVISIONS FOR EMPLOYEE OBLIGATIONS

This account is broken down in the attached financial statements as follows:

Changes in net obligation recognised in balance sheet

	31/12/2008	31/12/2007
Present value of obligation	3,570,170	3,784,774
Non-recognised actuarial profits (losses)	373,810	409,639
Net obligation recognised in balance sheet	**3,943,980**	**4,194,413**

Amounts recognised in profit and loss

	1/1/2008-31/12/2008	1/1/2007-31/12/2007
Cost of service	104,680	86,000
Financial cost	160,740	160,521
Actuarial profits (losses)		0
Impact of reduction	0	0
Cost of additional employees benefits	69,147	65,154

Total impact on results for period	**334,567**	**311,675**

Changes in net obligation recognised in balance sheet

	1/1/2008-31/12/2008	1/1/2007-31/12/2007
Net obligation at start of year	4,194,413	4,272,669
Employer contributions	0	0
Benefits paid by employer	(585,000)	(389,930)
Total expenditure recognised in profit & loss	334,567	311,674
Net obligation at end of yea	**3,943,980**	**4,194,413**

Change in present value of obligation		
Present value of obligation at start of year	4,194,413	4,272,669
Cost of service	104,680	86,000
Financial cost	160,740	160,521
Actuarial profits (losses)		
Benefits paid by employer	(585,000)	(389,930)
Cost of additional employees benefits	69,147	65,154
Present value of obligation at end of year	**3,943,980**	**4,194,413**

The figures for 2007 were adjusted to make them comparable.

The main actuarial assumptions used to calculate the provisions are as follows:

Main assumptions of actuarial study:	31/12/2008	31/12/2007
Discount rate	4.5%	4.5%
Inflation	3.0%	3.0%
Future salary increases	5.0%	5.0%
Expected residual working life	14.43	12.32

Note that the cost of interest is imputed to the provision.

The company calculate the staff termination reserve in accordance with the provisions of the sectoral collective labour agreement. In particular the Company formed a staff termination provision for its full-time staff on 1/1/2004 and 31/12/2004 based on 3 monthly salaries for 2003 and 7 monthly salaries for 2004 to 2008 with the maximum level of compensation being € 15,000. In line with the sectoral collective labour agreement the company made a provision for its full-time port workers on 1/1/2004, 31/12/2004, 31/12/2005, 31/12/2006 and 31/12/2007 for staff termination based on 75 wages for 2003 and 175 for 2004-2008 with the maximum level of compensation being € 15,000. Staff compensation obligations for 2008 were calculated using an actuarial study which showed actuarial gains of € 373,810 (up to 31/12/2008).

30. INVESTMENT GRANTS

This account is broken down in the attached financial statements as follows:

	31/12/2008	31/12/2007
Balance at start of period	73,502	73,502
Carried forward to results	-46,409	0
Additions during the period	0	0
Balance at end of period	**27,094**	**73,502**

31. OTHER PROVISIONS

This account is broken down in the attached financial statements as follows:

	31/12/2008	31/12/2007
Balance at start of period	1,146,319	1,557,650
Provision for payment of previous years' prices	0	-845,650
Tax audit provisions	360,000	60,000
Employee indemnity provisions	0	-30,000
Provisions for business party compensation	0	52,154
Provisions for receivables from Greek State	0	352,165
Balance at end of period	**1,506,319**	**1,146,319**

ThPA S.A. has not been audited for taxation purposes from 2001 onwards. Suitable provisions were formed for those periods. The tax audit for 2001-2004 was completed during 2009 (see Note 39).
The 'Other long-term liabilities' account includes rent guarantees.

32. SHORT-TERM LIABILITIES

	31/12/2008	31/12/2007
Suppliers	3,533,116	1,790,605
Customer down payments	2,551,155	4,376,600
Current Income tax	0	3,529,634
Dividends payable	19,872	32,062
Other liabilities and accrued expenses	7,230,307	6,621,886
Total	**13,334,450**	**16,350,787**

The maturity of short-term liabilities on 31/12/2008 was as follows:

	31/12/2008	
	up to 6 months	**6 - 12 months**
Suppliers	3,533,116	-
Customer down payments	2,551,155	-
Current Income tax	-	-
Dividends payable	19,872	-
Other liabilities and accrued expenses	7,230,307	
Total	**13,334,450**	

	31/12/2007	
	up to 6 months	**6 - 12 months**
Suppliers	1,790,605	
Customer down payments	4,376,600	
Current Income tax	3,529,634	
Dividends payable	15,445	16,617
Other liabilities and accrued expenses	6,621,886	
Total	**16,334,170**	**16,617**

33. CUSTOMER DOWN PAYMENTS

The Company collects down payments from customers before starting to provide services, which are settled when invoices are paid in full.

34. INCOME TAX

The maturity balance for income tax was € 0 as can be seen from the current income tax of € 1,995,299, plus € 23,347, 3.6% for stamp duty for the OGA Fund on properties less € 204,117 from the offsetting of withholding tax for the current period and minus € 1,814,529 from the offsetting of the partial advance income tax payment for the current year.

It is the company's standard practice of offset income tax advance payments with its tax liability.

35. DIVIDENDS

Under Greek company law, companies are required to pay dividends each year calculated as either 35% of their net annual profits net of tax or 6% of the paid-up share capital whichever is larger. Following publication of Law 3604/2007 (effective from 8.8.2007) dividends are to be calculated as either 35% of profits having deducted the statutory reserve, without any reference to 6% of the paid-up share capital. On 27/3/2009 the Board of Directors of the Company proposed distribution of a total dividend of € 1,814,400 (or € 0.18 per share). This proposal from the Board of Directors is subject to approval by the Annual Ordinary General Meeting of Shareholders in the Company.

36. OTHER LIABILITIES AND ACCRUED EXPENSES

This account is broken down in the attached financial statements as follows:

	31/12/2008	31/12/2007
Value Added Tax	-32,992	46,873
Taxes – duties on staff and third party salaries	1,022,730	1,580,277
Other Taxes - Duties	64,405	50,422
Insurance and pension fund dues	1,422,201	1,569,524
Employee salaries payable	1,014,155	1,543,744
Fees due	12,110	9,663
Accrued expenses	2,181,878	1,628,655
Other short-term liabilities	1,545,820	192,728
	7,230,307	**6,621,886**

Lastly note that the above liabilities and accrued expenses are expected to be settled within 6 months.

Withholding taxes: This figure primarily relates to withholding taxes applied to staff salaries, which are usually paid in the month after the withholding is made in line with the provisions of tax law.

Social security funds: This amount is primarily comprised of contributions – withholdings to social security funds as can be seen from the payroll and can be broken down as follows:

	31/12/2008	31/12/2007
IKA and other main social security funds	1,003,562	1,091,961
Contributions to supplementary funds	417,896	476,670
Other social security contributions	743	893
	1,422,201	**1,569,524**

The company has no debts due to the social security funds.

Accrued expenses: The amounts can be broken down as follows:

	31/12/2008	31/12/2007
Staff salaries	857,350	0
Professional fees and expenses	52,916	29,916
Charges for outside services	272,023	250,036
Taxes – Duties	38	36
Concession price	995,425	1,336,955
Other	4,125	11,712
	2,181,878	**1,628,655**

37. CONTINGENT LIABILITIES – RECEIVABLES

i.**Liabilities:** On the 31/12/2008, the Company's pending *sub judice* liabilities towards third parties amounted to € 137,249,846. No provision has been made for those liabilities, since Management believes that they will not have a significant effect on the financial status or the operation of the Company. This amount includes:

- A court claim made by Hellenic Railways Organisation for € 206,385 for damage to wagons.
- Court claims by ThPA employees for € 57,108 for which final court rulings have not yet been handed down.
- Other pending liabilities involved business partners and third parties worth € 667,118 from damage to cargo or third party assets by ThPA machinery which are insured.
- A court case by the company Plota Parking S.A. for lost profits due to cancellation of the tender procedure for construction of a floating parking space at Thessaloniki port, € 136,314,315.

ii.**Receivables:** Moreover the Company has signed several concession agreements for parts of its site. Company receivables from those contracts can be broken down as follows:

		2008	2007
Contracts of up to 1 year	amount per year €	2,119,127	1.559.337
From 1 to 5 years	amount per year €	131,444	131,444
5 years or more	amount per year €	169,617	169,617

iii.**Claims against third parties:** Furthermore, contingent claims of ThPA S.A. against third parties amount to € 4,211,321. This amount includes:

- A claim by ThPA S.A. from seized cargoes worth € 3,634,725 (€ 3,634,725 in 2007).
- Various sub judice claims against the State, the IKA Fund and third parties for € 248,102 (€ 298,103 in 2007).
- A claim against third parties from Highway Code fines (within the Port Zone) of € 328,494 (€ 287,331 in 2007).

***iv.* Guarantees**: Supplier and customer guarantees of € 25,421,870 (€ 9,648,856 for 2007).

38. TRANSACTIONS WITH RELATED PARTIES

Management remuneration

During 2008 salaries and attendance fees of € 433,866 were paid to members of the Board of Directors. Senior managers, accounting office staff, the head of legal affairs, internal auditors and other company executives were paid € 806,944 over the same period.

In addition to the fees cited, no other business relationship or transaction existed in the 2008 accounting period and no other benefits was provided during that period by the company to persons participating in its management.

No loans were granted to the Chairman, the Managing Director, the members of the Board of Directors, the Management and other executives of the company and the personnel of the Internal Audit Department by the Company, save for the amount of € 7,700.00 that was granted to the Manager of the Conventional Port Division and the Chief Accountant, based on the Company's sectoral collective labour agreement. The balance to be repaid by 31/12/2008 was € 2,535 (€ 1,692 and € 843 respectively). Moreover, on 31/12/2008 the company owed salaries to Board of Directors members of € 11,675 which related to the month of December which were paid in January 2009.

The remuneration of management and other executives is regulated by the sectoral collective labour agreement covering company staff, while the general managers' and legal consultant's remuneration is determined by decision of the Board of Directors. The remuneration of the Chairman and Vice Chairman of the Board of Directors and the Managing Director is determined by decision of the General Meeting of Shareholders of ThPA S.A. .

39. MAJOR EVENTS IN THE PERIOD 1/1 - 31/12/2008 AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Decision No. 3610/15/1/2008 of the company's BoD approved the tender notice for an open highest bidder tender procedure for award of a concession to develop, operate and exploit the Container Terminal located within the Thessaloniki Port Zone for a period of 30 years for (a) financial consideration consisting of:

- an initial payment of € 40 million
- an annual contribution based on consolidated income
- a guaranteed annual contribution (70% of the annual contribution)
- An annual rent for existing infrastructure of € 2.47 million adjusted every year
- An annual rent for new infrastructure of € 3.66 million adjusted every year

and (b) private financing by the investor (to further develop and expand existing infrastructure and superstructure) using the highest financial tender as the award criterion.
The deadline for submitting tenders is 20/3/2008 but that has been extended to 15/5/2008 by a more recent decision of the Board of Directors. The following three companies took part in the tender procedure:

- HPH Ltd , HPI Sarl, ALAPIS S.A. LYD S.A.
- COSCO PACIFIC Ltd, and
-P&O Aktor Concessions S.A. – Piraeus Bank S.A.

and the interim highest bidder announced by ThPA Board of Directors in decision No. 3800/30.7.2008 was the grouping of companies HPH Ltd. - HPI sarl, ALAPIS S.A. – LYD S.A., whose tender was € 419,468,447. Decision No. 3814/26/8/2008 of the Board of Directors of ThPA declared that grouping of companies the interim contractor and negotiations opened to draft and sign the concession agreement. Those negotiations lasted until December 2008. On 23/12/2008, however, the grouping HPH Ltd. – HPI Sarl – ALAPIS S.A. - LYD S.A. informed ThPA S.A. that it was no longer interested and was withdrawing from the negotiations due to disagreements which had arisen on major issues. On 30/1/2009 ThPA S.A. informed the contractor that it intended to exercise all its lawful rights to protect ThPA in relation to the outcome of the tender procedure.
Following Hutchison's withdrawal of interest, on 9/2/2009 the Board of Directors of ThPA declared that company in forfeit and requested that the Royal Bank of Scotland forfeit the letter of guarantee of € 5 million in its favour. That was done on 16/2/2009 as can be seen from the relevant ThPA accounts.

On 27/2/2009 the tax audit was completed by the tax authorities for the 2001-2004 fiscal years. The company was ordered to pay € 726,024 which does not exceed the provisions the Company had formed.
The Ordinary General Meeting of shareholders in ThPA S.A. took the following decisions on 30/6/2008:

- to revoke the decision of the Extraordinary General Meeting of shareholders dated 1/3/2007 which had decided to distribute a dividend for the year 2000 and to pay a dividend of € 1,063,000 to the Greek State. That amount was in fact paid on 8/7/2008.
- to approve amendment of the concession agreement of 27/6/2001 between the Greek State and ThPA S.A. in relation to its effective term and further concession of the right of exploitation to third parties for a period of up to 50 years to provide port services in order to bring the concession agreement into line with the amendments made to it by Law 3654/2008.

Apart from the points made above, there are no other events after the balance sheet of 31/12/2008 relating to the Company which need to be reported in line with the IFRS.

5. INFORMATION AND DATA REQUIRED BY JOINT MINISTERIAL DECISION NO. K2-11365/2009

Information for the fiscal year (1.1.2008 to 31.12.2008) on the basis of Article 135 of Law 2190 for undertakings which prepare consolidated and separate annual financial statements on the basis of the IAS.

THESSALONIKI PORT AUTHORITY
ThPA S.A.

Companies Reg. No. 42807/06/B/99/30 Address of Company HQ: Port of Thessaloniki

DATA AND INFORMATION FOR THE ACCOUNTING PERIOD 1.1.2008 -31.12.2008

In accordance with Decision 6/448/11.10.2007 of the BoD of the Hellenic Capital Market Commission

The financial information below intend to give a general view of the financial position and results of "THESSALONIKI PORT AUTHORITY" S.A.We therefore advise the reader, before attempting an investment of any kind or other transaction with the Company, to visit its website, where the periodic financial statements are submitted, as well as the auditors review report.

Supervising Authority : Ministry of Development - Demartment of Commerce
Company website: www.thpa.gr
Approval date of annual financial statements 27-03-2009
(from which summary data was obtained):
Certified Auditors – Accountants Batsoulas George & Damilakos Vrasidas
Auditing Firm: BDO Protypos Hellenic Auditing Co. S.A.
Type of audit report: consensual

Line-up of the Board of Directors

Lazaros Kanavouras, Chairman (member since 15.6.2006)
Ioannis Tsaras, Managing Director
Iakovos Frantzis, Vice Chairman
Georgios Ioannidis, Member
Christoforos Koutitas, Member (Chairman up to 15.6.2006)
Pantelis Tsivelekidis, Member
Efstratios Makios, Member (from 30.10.2006)
Nikolaos Parpoudis, Member
Apostolos Tsourekas, Member
Petros Naskos, Member
Dimitrios Thiriou, Member

INCOME STATEMENT FOR THE PERIOD

Amounts in euro

	01.01-31.12.08	01.01-31.12.07
Turnover	49.342.398	66.284.947
Gross Profit / (losses)	9.817.614	22.436.786
Earnings / (losses) before tax, financing, & investment results	4.770.702	16.135.785
Earnings / (losses) before tax	7.924.551	18.693.965
Profits / (losses) net of tax	5.303.190	13.868.394
Allocated among:		
Company shareholders	5.303.190	13.868.394
Minority shareholders	0,00	0,00
Basic earnings per share net of tax (in €)	0,5261	1,3758
Proposed dividend per share	0,1800	0,4600
Earnings / (losses) before tax, financing, investment results and total depreciation	8.593.366	19.915.900

BALANCE SHEET ITEMS

Amounts in euro

	31.12.2008	31.12.2007
ASSETS		
Fixed assets used for own production purposes	48.404.686	44.995.888
Investments in Property	7.160.222	6.847.000
Intangible assets	360.310	472.064
Other non-current assets	12.375.327	12.476.603
Inventories	1.870.025	1.746.397
Receivables from customers	4.693.521	6.313.769
Other current assets	58.317.621	63.663.664
TOTAL ASSETS	**133.181.712**	**136.515.385**
EQUITY AND LIABILITIES		
Share capital	30.240.000	30.240.000
Other information on company equity	84.025.958	84.423.104
Total equity in company shares (b)	114.265.958	114.663.104
Minority interests (b)	0	0
Total Equity (c) = (a) + (b)	114.265.958	114.663.104
Long-term loan obligations	0	0
Provisions / Other long-term liabilities	5.581.305	5.501.494
Short-term loan obligations	0	0
Other short-term liabilities	13.334.450	16.350.787
Liabilities related to non-current assets held for sale	0	0
Total liabilities (d)	18.915.754	21.852.281
TOTAL EQUITY AND LIABILITIES (c) + (d)	**133.181.712**	**136.515.385**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

Amounts in euro

	31.12.2008	31.12.2007
Total equity at start of period	114.663.104	102.810.710
and suspended operations)	5.303.190	13.868.394
(01/01/2008 and 01/01/2007 respectively)	-	-
Share capital increase / (decrease)		
Dividends distributed	(5.700.336)	(2.016.000)
Net income posted directly to equity	-	-
Purchase/(sale) of own shares	-	-
Total equity at end of period (31/12/2008 and 31/12/2007 respectively)	**114.265.958**	**114.663.104**

CASH FLOW STATEMENT

Amounts in euro

	31.12.2008	31.12.2007
Operating activities		
EBT (from continuing operations)	**7.924.551**	**18.693.965**
Plus/Minus adjustments for:		
Despreciation	3.822.665	3.780.115
Provisions	625.420	-489.587
Earnings from adjustment in investment properties to fair value	-313.222	-202.000
Interest collected	-3.221.236	-2.823.038
Results (income, expenses, profits & losses) from investing activity	150.215	-28.184
Plus/Minus adjustments for changes in working capital accounts or related to operating activities		
Reduction / (increase) in inventories	-123.628	-11.301
Reduction / (increase) in receivables	529.545	-1.550.976
Reduction / (increase) in liabilities (excl.banks)	168.552	1.058.742
Interest charges and related paid-up expenses	-7.917	-5.043
Tax paid	-6.339.669	-838.721
Total inflow /(outflow) from operating activities (a)	**3.215.274**	**17.583.972**
Investing Activities		
Purchase of intangible and tangible assets	-7.119.708	-5.616.945
Sale /(purchase) of long-term financial instruments	0	0
	3.229.153	2.828.081
Operating flows from suspended operations	0	
Total inflow /(outflow) from investing activities (b)	**-3.890.555**	**-2.788.864**
Financial Activities		
Dividend paid	-5.712.526	-2.016.000
Financial flows from suspended operations	0	
Total inflow /(outflow) from financing activities (c)	**-5.712.526**	**-2.016.000**
Net increase/ (decrease) in cash and cash equivalents (a) + (b) +(c)	**-6.387.807**	**12.779.108**
Cash and cash equivalents at the beginning of the period	**60.470.996**	**47.691.888**
Cash and cash equivalents at the end of the period	**54.083.189**	**60.470.996**

ADDITIONAL DATA AND INFORMATION

1. The company has used the same basic accounting principles as those in its balance sheet of 31-12-2007.

2. Company investments in fixed assets for the current period amounted to € 7,119,708 (31-12-2007: € 5,616,945)

3. The company has been audited for taxation purposes up to the 2000 accounting period. The company is currently undergoing an ordinary tax audit by the tax authorities for the years 2001-2004 (see note 39).

4. The company does not hold any of its own shares.

5. There are no liens registered on the company's fixed assets.

4. The Company does not hold any of its own shares.

7. For open tax periods the company has formed provisions (up to 31/12/2008) of € 1.102.000 and other provisions of € 404.319. It has not made any provisions for disputes before the courts or in arbitration.

8. No, of staff employed on 31.12.2008 and 31.12.2007 respectively: 541 & 571 respectively

9. The company is obliged to prepare a table showing the capital raised because its shares were listed on the ATHEX Main Market by disposing of existing shares which belonged to the Greek State.

10 . The Extraordinary General Meeting of 1.3.2007 decided to increase the share capital by € 3,024,000, but that increase has not been completed because the Ministry of Development has yet to approve it. The Ordinary General Meeting of shareholders in ThPA withdrew the decision of the Extraordinary General Meeting of 1.3.2007 and paid the dividend for the 1st fiscal year of 2000 to the Greek State.

11. The profits per share were calculated based on the weighted number of total shares.

2,535 Liabilities to board members: € 11,675 Executive fees: € 806.944

13. The financial assets in the income statement of 31.12.2007 were reclassified to make them comparable from non-current assets to current assets. There was no change in the balance of these assets (see note 21b)

14. Within 2008 a tender was procured, for the concession of the Port of Thessaloniki Container Terminal, as analytically described at note 39. Provisional concessionaire was proclaimed the consortium HPH/L.T.D., HPI SARL, ALAPIS ABEE, ΛΥΔ A.E., which at the end withdrew its interest and was declared forfeited by ThPA SA.

The Chairman of the BoD/ThPA SA	The Managing Director/ThPA SA	The Financial Manager	The Accountant
L. Kanavouras	I. Tsaras	G. Kokkinos	M. Hondroulaki
ID Card No. AB 712218/06	ID Card No. P 723030/95	ID Card No. AE 214331/07	Lic. No. 0039369

DISTRIBUTION OF CAPITAL REPORT

The company is not obliged to prepare a table showing the capital raised because the listing of its shares on the ATHEX Main Market was done by disposing of existing shares which belonged to the Greek State.

INFORMATION REQUIRED PURSUANT TO ARTICLE 10 OF LAW 3401/2005

Over the period 1.1.2008 – 31.12.2008 ThPA S.A. made the following information available to the public in implementation of legislative requirements to that effect. That information was posted to its website (www.thpa.gr) and the website of the Athens Exchange (www.ase.gr).

23/12/2008	Announcement concerning other major events
03/11/2008	Notification of a major change in voting rights pursuant to Law 3556/2007
10/10/2008	Announcement concerning other major events
05/09/2008	Announcement concerning comments on statements of account
26/08/2008	Award of tender procedure for concession of ThPA S.A. container terminal
31/07/2008	Announcement
30/07/2008	Announcement concerning business developments
22/07/2008	Announcement concerning company business developments
18/07/2008	Clarifications on published articles
30/06/2008	Decisions of General Meeting
30/06/2008	Notice of determination of dividends – payment of dividends
27/06/2008	Response to question posed by Hellenic Capital Market Commission
09/06/2008	Invitation to the Ordinary General Meeting of Shareholders
05/06/2008	Announcement concerning other major events
30/05/2008	Comments on financial statements for 1st quarter of 2008
23/05/2008	Announcement concerning other major events
22/05/2008	Notice on other major events
20/05/2008	Advance notice of general meeting
14/05/2008	Announcement
31/03/2008	Announcement
27/03/2008	Correction of financial calendar for 2008
20/03/2008	2008 financial calendar (errors duly corrected)
14/03/2008	Announcement
27/02/2008	2008 financial calendar
25/01/2008	Announcement relating to international highest bidder public tender procedure
15/01/2008	Announcement concerning other major events

AVAILABILITY OF FINANCIAL STATEMENTS

The annual financial statements of the company, the audit report, and the Board of Directors' management report to the Annual Ordinary General Meeting have been posted to the company's website (www.thpa.gr).