Speech of managing director Mr. N. Anastassopoulos, at the Annual Regular General Meeting of the shareholders of PPA SA, held at the Company's headquarters at 1/6/2007

Report of the Year 2006

In the year 2006 PPA SA moved with two gears. During the first 10 months from January to October a spectacular growth was recorded in all business activities as a result of the array of measures and improvements that the Management undertook and the successful implementation from all parties involved both internally and externally.

Until October 2006, sales volume and economic results recorded a significant improvement, with an increase of 12.5% in containers throughput, a 34% in cars throughput and a 30% increase of results before taxes compared to the relevant period of 2005. Net profits before taxes for the 9 month period of 2006 were €17,3mil having an increase of 30.7% whereas revenues increased by 9.5%.

This successful trend though, was halted in the last 2 months of the year due to personnel mobilizations that resulted to a significant revenue loss and damaged the competitiveness and credibility of PPA, as shipping lines were forced to redirect their transhipment cargo to other ports. Had the trend not been halted by the mobilizations, revenues and financial results would have exceeded the year's budget estimation, which stood at €162.0mil and €21.3mil respectively.

However, it should be noted that during the crisis, the Management made every effort to satisfy imminent market needs while at the same time recognized the financial consequences of the prolonged stay of containers within the container yard and granted rebates as high as 95% in storage fees for the period in question.

Financial Result of 2006

Total revenues of the financial year (including other operational revenues) was €151.9mil recording a marginal increase of 1.9% compared to 2005.

Drastic decrease in container throughput during the last two months of the year where it is estimated that some 135.000 moves were lost with a drop in revenues of 18% had as a consequence the turnover to reach

€144.1mil recording a slight increase of 3% despite tariff increases by almost 6% and a 30% increase in cars and cruise passenger traffic.

Other operational revenues were reduced by 15% mainly due to reduced revenues from Exhibitions because of the problems at the Exhibition Center.

Expenses in 2006 recorded an increase of 1.8% compared to 2005, which besides the increased depreciations is due to increased provision for doubtful debts on one hand and to non ordinary expenses due to compensations for judicial settlements of past years.

Because of the above, EBT for 2006 amounted to €17.5mil remaining almost at the same level of the first 9 month period, since last quarter's result was marginally positive.

Net profits after taxes (current and deferred) increased by 7.9% due to the reduced tax rate in 2006 (2006=29%, 2005=32%) and the difference in deferred taxation.

The commercial activity of the port remains the main source of revenues, contributing the 75% of which the largest share is attributed to the Container Terminal.

Company's turnover presented an increase of 3% and amounted to €144.14mil against €140mil the relevant period of 2005. Personnel mobilizations during the last two months of 2006 had a major impact on revenues mainly those of the commercial activity, limiting the growth rate to merely 1% compared to last year.

On the contrary, the cruise boost with a 30% increase in passenger traffic and 13% more vessels' calls substantially improves revenues from the Passenger port and positively influences income from services to vessels.

The main cost element with a 70% share is personnel cost. Depreciations amount to 7%, other operational expenses to 20%, whereas consumables contribute with a 3% to the total cost.

It is worth mentioning though, that despite the satisfactory increases in personnel remuneration that were agreed with the signing of the new Collective Agreement, personnel cost is reduced for the second consecutive year and is 2.7% less than in 2005 and 6.3% less than in 2004, as a result of manning reduction in gang composition from 9 to 6 persons, the rationalization of overtime payments and the increase in productivity.

Cargo Volumes

Container throughput remained at the same levels of the previous year with a marginal increase of +0.6%.

The increase rate during the first 10 months of 2006 stood at 12.5% compared to the same period of 2005. This increase was attributed solely to transshipment cargo that due to the scaled tariff introduced and the application of the “rendez-vous” system was enhanced both through the attraction of new customers and the Middle East crisis last summer that put out of operation the ports of Beirut and Haifa. The drastic drop of productivity by -70% for two consecutive months (November-December) cut down the increasing trend of the container throughput.

The car terminals presented a worth mentioning progress. Within just one year from the inauguration of the new G2 Terminal capacity was almost utilized while demand still grows. The increase in cars throughput was 30%, emanating solely from transshipment cars that increased by 115%.

Conventional cargo showed an increase but without having a significant importance since it contributes only 3% of revenues and does not show a positive perspective as more and more general cargo is transported containerized.

Domestic passenger traffic amounts 19.5mil. per annum. Commuting traffic to Salamina presents a progressive reduction but on the other hand coastal shipping shows an increasing trend which dictates the need to make a better use of the somewhat limited space of the Central Port in order to fulfill future demand for passenger and vehicle traffic.

The cruise passenger traffic grew by 60% during the last two years. The development of this activity is directly linked with the wider national target of Tourism development and remains one of the priorities of the port Authority that aims to further enhance the attractiveness of Piraeus port as a main cruise destination. To this aim specific plans and actions were undertaken towards cruise passenger terminals upgrade and service levels enhancement.

Revenues from services to ships increased by 6.7% compared to 2005. It should be noted that substantial investment took place for network improvement in order to reduce water waste and cover demand, so as to eliminate the use of the water barge “Enalia” for providing water to ships which has high operational cost. In addition letters were and still are sent to the State Water Company in order to reduce tariffs.

Dry docking revenues were increased by 18% during 2005-2006. It should be noted however that despite this improvement the activity remains unprofitable and as a consequence it is not possible to finance the necessary

special survey of the floating docks undertaken every 5 years with a cost of over €6mil. Solutions are being examined including the private sector involvement in order to continue the operation.

Quality of Service Indicators

Management measures for institutional and operational improvement are mirrored in the continuous improvement of quality indicators such as Vessels' Waiting Time and berth productivity.

Within just two years the total waiting time of vessels at the Container Terminal was reduced by 12 hours (-30%), while productivity per gang increased during the last five months by 20%. However the operation at the Container Terminal is still lacking behind productivity levels of other Mediterranean ports.

PPA's Share

During 2006 share value has increased by 11.5%, while the average capitalization reached €440 millions.

Due to the free float criterion set by the A.S.E Regulation , PPA's share was moved to medium and small capitalization division, since October 2006.

International Developments, Objectives and Strategy of PPA

In line with the international developments, PPA modifies its strategy and set its targets in order to meet the new challenges.

Based on analysis and studies conclusions conducted by experienced organizations (E&Y, Piraeus Bank Real Estate, Piraeus University), PPA finalized its medium–long term development plan and revised its investment plan with the inclusion of necessary projects. The new 5 year investment plan 2007-2011 is over doubled, compared to the previous ones and reaches the huge amount of €533mil, while an extra amount of €120mil are budgeted for 2012.

Container Terminal development includes the completion and equipment installation of Pier I, the upgrade of Pier II with the use of a high density stacking system and the East side construction and equipment of Pier III.

With the above mentioned projects the container terminal capacity is three fold and reaches 4.7 million teus. Additionally, among the projects foreseen are the upgrade of the I.T. system and the port connection with the rail network through the construction of a port rail terminal (financed by Hellenic Railways).

The volume of the required investments surpass €400mil, in a 7 year time span and represents 70% of the 5 year investment plan. The materialization of this ambitious plan is possible only under certain circumstances, as the size of the capital investment, the time plan, the need for attracting containerized traffic and the expertise required are beyond current capabilities of PPA and participation of the private sector is considered fundamental. For this reason the whole container terminal development plan (excluding the infrastructure for Pier I) is foreseen to be completed through self finance.

As for the Passenger Port a dredging contract was signed and the works are planned to start after the summer period. The project will be gradually completed until 2011 and PPA will invest €6mil, for making the sea bottom safer for the coastal shipping.

The plan to upgrade passenger terminals is under progress. The project at Ag. Dionisios is already completed and gradually the remaining passenger terminals will follow (excluding the modern terminal of Vasiliadi coast area). Moreover, it is thoroughly examined the potential exploitation of some buildings (old warehouses), as extra passenger terminals and as parking areas for passengers vehicles.

In parallel, the installation of public electronic information matrixes is underway. The project will be operational within the coming month.

The investment plan foresees the construction of a second passenger bridge at Ag.Spiridonas, but due to a different approach by the municipality authorities the project is still pending.

For the Real Estate Property and in the framework of revealing the hidden added value of PPA there are under development: (a) the construction of a new 70.000 sq.m Exhibition Centre, at Palataki area. The investment is estimated at €80mil and will be realised through self finance. The tender process will be publicised within the next days. (b) the exploitation of old buildings, warehouses and other central port areas. A feasibility study based on alternative scenarios was conducted by Piraeus Bank and is currently under evaluation. In any case the real estate exploitation takes first of all into account the port operation, as well as the safe and easy access of passengers and vehicles.

1st Quarter of 2007

For the 1st quarter of 2007 the major target was the normalization of port operation after the two months mobilizations of 2006, which mainly affected the container terminal. With the restarting of normal port operation, PPA tried to facilitate the increased import cargo coming massively to Piraeus after an extensive stay at other ports.

Transshipment traffic was reduced by 72%, due to the fact that MSC as well as other companies diverted their cargos to other transshipment hubs.

PPA recognized the consequences of the prolonged stay of containers at the port and provided significant discounts of more than 70% on average, for storage fees of the period in question. The total amount of the rebates is estimated at the order of €5mil.

The growth continues at Car terminals with a rate of 2.5% for the first quarter of 2007.

In the above mentioned framework between the first quarters of 2007 and 2006:

- total revenues are increased by 1,6%,
- revenues before taxes increased by 5,1%
- revenues after taxes increased by 9,3%
- and financial results have also improved due to a better management of cash and cash equivalents that increased from €22,6mil to €31,3mil.

For the current year PPA has to deal with important issues related with its future.

The Competition Committee issue is in progress and the Organisation has all the necessary data that reinforces its position against the charges. In particular, the arguments for “abuse of dominant position” and “illegal collusion” are unreliable because the service provided to users was in line to their volumes. Moreover the contract between PPA and MSC does not affect the services provided to the rest of users and is for the benefit of PPA. The hearing process is in progress and the decision is not expected before autumn.

The materialization of the PPA’s development plans requires flexibility, speed and decision making procedures similar to the private enterprises. Therefore, the clear definition of the operational framework is necessary; The ambiguous position between State and Private choices creates obstacles, slows down development and regress the Organization.

State interference should focus on planning approval; follow up of target’s achievement and the necessary corrective actions, in order to evaluate the Management on the basis of objective criteria. State control in every case is welcome, necessary and beneficial. Political parties do not have a scope for existence within PPA. The close relation of Political parties and PPA creates distortions both in structure and operation as well as a development disincentive.

The continuing policy of the Unions to equalize everyone downwards creates an additional development disincentive. It is completely necessary to

differentiate remuneration policy based on performance and to restore the distorted remuneration pyramid.

Regulatory operational framework should be changed in line with other competitive ports in the area. Shift's working hours, deputies and a number of other distortions that the miss comprehended unionism imposes should change today if not yesterday.

The composition of the Board of Director should secure flexibility and speed in decisions while the ability of the CEO to apply decisions and corrective actions should be in line with the needs of an Organisation that operates 24 hours a day, 365 days a year and which is obligated by the Concession Agreement with the Greek State to have continuous operation. Finally, it is imperative for PPA to disengage itself from the tight legal framework of time consuming processes that the State imposes regarding procurements and works.

This will allow PPA to operate like a private entity, and with the essential structural, administrative and operational changes to facilitate a fast pace towards development.

Because the materialization of the aforementioned changes requires a long time span, which in PPA's case would create an obstacle in its immediate development, the involvement of the Private Sector is promoted for the financing and the administration of the Container terminal, the operation of which has to be based on entrepreneurial and financial objectives.

In activities though, that aim to increase social benefit, the public character must be maintained with the aforementioned necessary changes.