



J&P-AVAX SA SHARE CAPITAL INCREASE IN CASH

BOARD OF DIRECTORS REPORT

pursuant to article 13 of Law 2190/1920, article 9 of Law 3016/2002

and article 289 of the Athens Stock Exchange Regulation

The Board of Directors of J&P-AVAX SA (the «**Company**») proposes the increase of the Company's share capital by €41,040,000 paid in cash, the issue of 5,400,000 new common registered shares and the waive of rights of existing shareholders to participate in the capital increase, to let the former major shareholders and senior management (the «**Strategic Shareholders**») of ATHENA SA, which was recently acquired by the Company, enter the Company's shareholding base through the capital increase.

This report is compiled for the purpose of the afore-mentioned share capital increase pursuant to article 13, paragraph 6 of Law 2190/1920, article 9 of Law 31016/2002 and article 289 of the Athens Stock Exchange Regulation, and will be forwarded to the Athens Stock Exchange for publication in the bourse's website, as well as the Company website. The Board of Directors informs Company shareholders of the following:

I. Reasons for waive of rights of existing shareholders and issue price

The Board of Directors expects existing shareholders will benefit in the future from the proposed capital increase through the waive of their rights for the following reasons :

- the share capital increase will inject €41,040,000 of liquidity
- the scope of expanding the Company's business will be broadened due to the long-term interest of the Strategic Shareholders, who will become shareholders of the Company, in attracting new projects for the enlarged J&P-AVAX group and pursuing further all works in progress. In essence, the Strategic Shareholders are re-investing the funds received through the sale of their shareholdings in ATHENA SA to the Company and become its new long-term partners.
- indirectly, the Company precludes the Strategic Shareholders (among whom are several senior managers of ATHENA SA) from running competing operations either by setting up a new business or working for its peers



The issue price of new shares is proposed at €7.60. This price was arrived at through deliberations with the Strategic Shareholders and reflects on the Company's share price **prior** to the announcement of the block sale of the Strategic Shareholders' shares in ATHENA SA to the Company (the «**Transaction**») on June 11, 2007.

Following the announcement of the Transaction, the share price of ATHENA SA has been stuck at €1,67 whereas the share price of the Company has been positively affected by the acquisition of ATHENA SA, incorporating the strategic benefits.

To arrive at a relative share valuation by adjusting for the acquisition effect, the Company's average closing share price on the 7 trading sessions was €7.77 (including 2006 dividend), resulting in a 2.2% discount relative to the proposed issue price of €7.60 per share, in line with similar corporate actions and private equity placements by major shareholders. For illustration purposes, it should be noted that the major shareholders of the Company proceeded on 13.07.2007 to a placement of 5.46% of the Company's shares at a 2.4% discount relative to the share close price on that day.

II. Report on the use of funds from the Company's last share capital increase

The Company's last share capital increase, amounting to 35,226,000,000 drachmas (€103,377,842.99) was approved by the General Shareholders' Meeting held on 15.06.2000 and was concluded on 13.11.2000.

The Company has published the following table of the use of funds raised through the share capital increase in 2000:

(amounts in million drachmas, where €1=340.75 drachmas)

Use of Funds	Through to 31/12/2000	Total over 1/1- 31/12/2001	Final Allocation of Funds, 2 nd half of 2000 and full 2001	Budgeted vs Actual
Acquisition of 100% of ETETH SA	12,500	0	12,500	0
Decrease in bank debt	2,500	0	2,500	0
Participation in BOT projects	32	968	1,000	0
Acquisitions in Construction & Real Estate	698	802	1,500	0



Capital Equipment	1,000	0	1,000	0
Increase in share capital of subsidiaries	10,726	2,000	12,726	0
Working Capital	1,500	2,500	4,000	0
Construction of New Group HeadQuarters	0	0	0	0
Residual as of 31/12	0	0	0	0
Total	28,956	6,270	35,226	0

III. Investment Plan

The funds to be raised through the share capital increase of the Company will be used to finance, either in full or partially, its participation in signed or pending concession-based projects.

More specifically, the funds will finance partially or in full the following concession agreements over an estimated 24-month time frame:

(amounts in € million)

Concession	Allocation of Funds
Maliakos-Kleidi	2.4
Elefsina-Corinth-Patras-Pyrgos-Tsakona	23.4
Canoe-Kayak Olympic Complex	5.0
Bucharest Car Park (Romania)	5.7
Queen Alia International Airport (Jordan)	4.9
Total	41.0

IV. Intention of major shareholders to alter their equity stakes

J&P Investments Limited and Mr Constantine Mitzalis, shareholders with direct or indirect control of at least 5% of the Company shares, declare their intention to not reduce their



shareholding from current levels until the proposed share capital increase is concluded and new shares have been listed on the Athens Stock Exchange, as well as over a six-month period following the listing of the new shares.

Marousi, July 17, 2007

THE BOARD OF DIRECTORS