

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS Regarding the items of article 11a para. 1 of Law 3371/2005

This explanatory report of the Board of Directors addressed to the Annual General Meeting of Shareholders, contains information regarding the items of article 11a paragraph 1 of Law 3371/2005.

1. Structure of the Company's share capital - categories of shares - Rights - Obligations

The Company's share capital amounts to 55,614,326.96 Euro divided into 73,176,746 ordinary shares with a nominal value of 0.76 Euro each.

All the shares are ordinary, registered and listed for trading in the Securities Market of the Athens Exchange (under Large Cap classification). Each share entitles the owner to one vote.

Each share carries all the rights and obligations set out in law and in the Articles of Association of the Company. The liability of the shareholders is limited to the nominal value of the shares they hold.

2. Limits on transfer of Company shares

The Company shares may be transferred as provided by law and the Articles of Association provide no restrictions as regards the transfer of shares.

3. Significant direct or indirect holdings in the sense of Presidential Decree 51/1992

On 31.12.2006 the following shareholders held more than 5% of the total voting rights of the Company: M.J. Maillis, 25.70% and HORQUETA HOLDINGS LTD, 19.35%.

4. Shares conferring special control rights

None of the Company shares carry any special rights of control.

5. Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

The Articles 17 and 18 of the Company's Association provides that the holder of one share is entitled to participate with one vote in the General Meeting. The votes are increased by one with each additional share. The shareholders who wish to participate in the General Meeting should commit the whole or part of their shares through their Operator in the Dematerialised Securities System (DSS) and submit to the company the relevant certificate concerning the commitment of the shares, at least five (5) days before the date of the meeting. Shareholders who do not comply with the above obligation can participate in the General Meeting only after following permission granted by it.

6. Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

8. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to article 16 of Codified Law 2190/20

(a) Stock Options Plan to its Executives of the Company and of its affiliated Companies

According to the provisions of the article 13 para.9 of the Codified Law 2190/20, by virtue of decision of the General Meeting - taken with an increased quorum and majority in accordance with the provisions of articles 29 para.3 and 4 and 31 para.2 of Codified Law 2190/20 - a stock option play may be introduced in favour of members of the Board and staff of the Company, and of affiliated companies, in the form of the option to purchase shares on the special terms of this decision, a summary of which is subject to the requirements of publication set out in article 7b of Codified Law 2190/20.

The decision of the General Meeting specifies the maximum number of shares which may be issued, which may not exceed 10% of the existing shares, the price and the terms of distribution of the shares to the beneficiaries.

The Board of Directors decides on any other relevant details not otherwise determined by the General Meeting, issues the stock option certificates and, in December of each year, issues shares to the beneficiaries who have exercised their option, making a corresponding increase in the capital of the Company. Furthermore the Board certifies the payment of the increase in capital in accordance with article 11 of Codified Law 2190/20.

Pursuant to the above provisions in implementation of the relevant decisions of the General Meeting of the Shareholders of 06.06.2002 and 23.06.2006 and the decisions of its Board of Directors on 10.11.2006 and following the exercise of options to purchase 309,295 shares by the endorsees, the Board of Directors decided on 4.12.2006 the issuance of 309,295 new ordinary registered shares, the increase of the Company's share capital of 235.064,20 Euros, corresponding to the nominal value of the new shares, to form a reserve from the issuance of shares of 74.230,80 Euros. Pursuant to the provision of article 13 para.9 of Codified Law 2190/20, the above share capital increase does not constitute an amendment of the Articles of Association. The payment of the above share capital increase was certified by the Board at a special meeting on 05.12.2006

(b) Share Buy Back

In accordance with ar. 16 para.5-13 of C.L. 2190/1920 and the Ordinary General Meeting of the Shareholders on 24.05.2006 decided that the company may within 12 months proceed to the Share Buy-Back of a maximum amount of 4,500,000 shares, which represents a percentage of 6.18 % of company's share capital, with maximum price nine euros (9,00 Euro) per share and minimum price one euro (1,00 Euro) per share.

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

According to article 11a of CL 3371/2005 that was amended by article 30 of CL 3461/2006, the Company discloses the fact that, with respect to the USD 130 million (equivalent of Euro 110.6 million) Note Purchase Agreement (Bond loan) that was signed in December 2005, there is a clause which states that in circumstances of change in control, the Company is required to inform the bondholders and offer prepayment which the bondholders may or may not accept according to their discretion. A similar clause is included in the Euro 45.3 million Syndicated loan that has been signed by the Group's subsidiary Europack SA in May 2006. Furthermore similar clauses are included in loan agreements with banks and ISDA agreements.

10. Significant agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.