BoD Management Report of P.P.A. S.A. to the General Assembly for the 8th financial period (1/1/2007 – 31/12/2007)

The Board of Directors submits its annual report together with the audited Financial Statements of the company according to IFRS, for the year ending at 31/12/2007.

Main Activities

The main activities of the Company are the provision of port services to ships, loading/unloading and storage of goods, and vehicles as well as services to passengers of coastal and cruise vessels. In addition the Company provides other facilities and services to ships (provision of water, electricity, telecommunication, slops management etc) and also concedes land and building space to third parties against payment.

Objectives and Strategy

The main objectives of the Company are:

1. The development of the commercial activity mainly those of the container and car terminals with the increase of their productive capacity through the necessary port infrastructure and investments, with the aim to become the main hubs for transshipment cargo towards the Black Sea and the east Mediterranean countries.
2. The enhancement of competitiveness by upgrading and improving the service provided.
3. The satisfaction of passengers' need for speed of service, timely information, comfortable stays at the passenger terminals and safety.
4. The improvement of the financial position through cost savings and productivity increase.
5. Human resource efficient management through continuous training and adaptation of new technologies.
6. Real estate development and exploitation in a way that enhances the greater social benefit and respects the environment.
7. Operation of the Company with the application of private sector standards

Main Funds

For the realization of the above objectives, the Company, within its new 5 year investment plan of 2008-2012 includes projects with a budget of €499,3mil., while an extra €93.4mil, is planed until 2014.

More than 70% of the above budget is scheduled for the development of the Container Terminal, with the aim to triple its current capacity and its evolvement into the main transhipment hub of the Mediterranean Sea. To this aim the involvement of private capitals is necessary and the realization of the investment for the biggest part is scheduled to be made through self financing and the concession of use. The relevant call for tenders for the concession of the existing Pier II and the construction of Pier III is currently on the air, and is expected to be completed until mid 2008. At the same time the extension of Pier I and the procurement of the necessary machinery and equipment, with a budget of €120mil. which is included in the above investment plan, is under way. The operation and exploitation of Pier I will remain with PPA SA that will also undertake the cost of the investment through a loan from the European Investment Bank for the infrastructure and the use of financial leasing for the machinery and equipment.

14% of the investment plan concerns projects for the development of the real estate of PPA SA that will be realized through self financing. The relevant call for tenders for the Concession of construction, operation and exploitation of the New Exhibition Center is already awarded and is now at the process of signing the Concession agreement with the concessionaire.

The remaining of the investment plan includes projects of infrastructure upgrade and equipment refurbishment and the financing will be made by own capitals.

Regarding the human resources needs of the Company, a recruitment program for the necessary technical and administrative personnel, according to the recent Legal regime, is under way. In addition the Company plans to employ a significant number of dock workers in order to operate 3 shifts without the need for overtime.

Annual Report 2007

A significant increase of 18.9% in turnover was recorded during 2007 as compared to the previous year. Which however due to the 2 month mobilizations of the personnel was extremely modest.

Throughput at the Car Terminal reached 618.663 vehicles, recording an increase of 25.4% compared to 2006. Most of this increase is attributed to transshipment cargo for the Black Sea. It is worth mentioning that the Car Terminal continues this successful path after the 30% increase recorded in 2006. Part of this success is attributed to the expansion of the Car Terminal by 30 acres that increased yard capacity by 70.000 cars.

In the Container Terminal, increase of local cargo by 35%, mainly attributed to carry over of previous year due to personnel mobilizations of the previous year (November-December) and partly to the real increase in imports which is estimated to 10%, more than offsets the decreased traffic from the limited transshipment cargo due to vessel re routing from Piraeus for the same reason.

Cruise passenger traffic of 2007 records for the second year in a row a spectacular increase by almost 29%. This is on top of a 30% increase achieved in 2006. The revival and the fast increase of cruise is attributed to the strategic marketing that was adopted, the increase in available spaces that allow for servicing a larger number of passengers and the works undertaken for the operation and the refurbishment of the passenger terminals.

The increased number of vessel calls, deriving from the above reinforces revenues from services to ships (berthing dues, water provision, slops management etc) that record a similar improvement. Moreover with the measures undertaken to reinforce the Ship Repair Zone (SRZ) a 9% increase in docking revenues was recorded.

Operating expenses of 2007 are artificially increased compared to 2006 where expenses in general but mainly personnel remunerations were significantly lower than normal due to the industrial actions of November - December. As a result annual operating expenses present an inflated increase of 8.7%, while during the first 9 month the increase was marginal by 1%.

In addition the reevaluation of pending legal cases against PPA until 31/12/2007 led to a higher provision by €1.3mil. and this is mirrored in the increased other operational expenses versus 2006.
An important improvement was recorded in the financial results of 2007 because of the increased capital interest that derives from the improved management of cash and cash equivalents of the Company, whereas payable interest and relevant expenses remained at the same levels of the previous year.

With the above, pre tax profit of 2007 records a significant improvement amounting to €33.5mil. for 92% increase compared to 2006.
A significant increase is also recorded in the cash and cash equivalent of the Company on 31/12/2007 amounted to €49mil, more than double of the relevant amount in 2006 (€22.6mil), due to the improved profitability of the Company and the reduced pace of investments that reached €18.2mil against a budget of €45.8mil due to time consuming and dysfunctional operation of the Company.

Projections of 2008

The mobilizations of personnel at the beginning of 2008 that are still in progress will undoubtedly affect 2008. However the scale and magnitude of the consequences can not yet be determined since it is not yet known the time they will cease.

The Management in order to restore normal operations in the port and to minimize the negative effects took and is still taking every possible and legitimate measure, either in the form of dialogue or by applying the actions foreseen in the Regulations or finally through legal action. Despite all efforts the Unions hold an inflexible position disagreeing with the strategic development plan through the concession and support the view that the port should keep its current public status, even though the results of the studies that were undertaken result to the opposite direction.

The main objective of the Management is to proceed within 2008 the development plan for the Container Terminal, which is a strategic target, achieving the consensus of all parties involved through a constructive dialogue. Within this frame a Law is currently being passed in the Parliament that includes favorable measures for the personnel such as an early retirement scheme with the Company bearing the costs and the option to move to other public entities.

The Unions should present prudence and adapt to the general port environment that prevails in other competing ports and assist constructively in the way of reform in order to secure development and achieve the Management's goal through the implementation of the enormous investment plan set forth.

Financial report

a. Credit Risk: There is no significant credit risk for the Company towards the contracting parties.

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

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

d. Liquidity Risk: The effective management of liquidity risk is assured by keeping adequate cash on hand and in banks and by having the possibility to acquire finance loans when is required. The Company management of liquidity risk is relied on the right management of working capital and cash flows.

Explanatory Report (according to article 11a of Law 3371/2005)

Share capital structure

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

Restrictions in the transfer of the Company's shares

Company's statute does not have special restrictions for share holder rights compared to the respective law principles. By exemption, articles 6 par. 2 and 7 par. 1 of company's statute cite that the minimum participation of Greek State to the equity capital, cannot be less than 51%.

Moreover according to the provisions of article 11 of Law 3631/2008 (OFFICIAL JOURNAL OF

THE HELLENIC REPUBLIC A 6/29.01.2008), on Societes Anonymes of national and strategic importance, that have or have had monopolistic character, and especially for companies that have in their property or exploit or manage national networks of infrastructures, the acquisition from other shareholder, except the Greek State, or from related entities as described in article 42C of C.L. 2190/1920 or from shareholders that act jointly in a harmonised way, right of vote of more than 20% of the total share capital, is subject to the approval of the Interministerial Privatization Committee of L. 3049/2002, in accordance to the procedures of this Law.

Significant direct or indirect participations in the sense of P.D. 51/1992.

- Main shareholder of the Company is the Greek State with a 74,14%.
- Lansdowne Partners Limited notified with its letter, dated 28/9/2007 that the Company Lansdowne Partners Limited Partnership, is an investment manager and is entitled to exercise on a discretionary basis the voting rights attached to the 2.417.636 shares in Piraeus Port Authority S.A (percentage of indirect voting rights: 9,67%), held by the following funds: Lansdowne European Equity Fund Limited, Lansdowne European Long Only Fund Limited, Lansdowne European Long Only Fund LP, Lansdowne European Strategic Equity Fund LP and Managed Account R. None of these funds holds more than 5% of the voting rights in Piraeus Port Authority S.A.
- MORGAN STANLEY, notified with its letter, dated 28/9/2007, that its controlled entities, MORGAN STANLEY & CO INTERNATIONAL PLC and MORGAN STANLEY & CO INCORPORATED NEW YORK, on 25/9/2007 disposed common shares of the company PIRAEUS PORT AUTHORITY S.A, resulting to the reduction of the total participation of MORGAN STANLEY, in terms of the total voting rights from the 10% limit and specifically from 11,294% to 1,848% (462.108 voting rights, against 2.823.628 that were possessed). In parallel there was also a change, greater than 3% at the percentage of the aforementioned shareholder in terms of total voting rights of the company PIRAEUS PORT AUTHORITY S.A.

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

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

Restrictions to voting rights.

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

Company's Shareholders' agreements.

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

Rules of appointment and replacement of Board of Directors' members and amendment of articles of incorporation.

In accordance with article 9, par 1 of the company's statute, the Board of Directors consists of thirteen members for a five year term.

Eight of them are elected by the Company's General Assembly.

Company's employees appoint 2 representatives as members. These representatives come from the two biggest unions, one from the employee's side and one from the dock workers side.

One member is appointed from the municipality of Company's headquarters

One member is appointed from the Economic and Social Commission.

One member is elected by the General Assembly and comes from Piraeus' production entities and professional unions.

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

In accordance with article 7 of the Company's Articles of Incorporation, following the General Shareholders Assembly decision, the share capital can be increased after the amendment of Articles of Incorporation and certification of the increase, provided that the minimum participation of Greek State to the equity capital, cannot be less than 51%. With the same decision it is determined the amount of capital increase, the way of cover, the number and the type of shares that will be issued, the nominal value and their offering price , as well as the deadline of cover.

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

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

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

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

There is no such agreement.

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

There are no such agreements.

Based on the above Shareholders we kindly ask

1. To approve the financial results of 2007
2. To release the BoD and the auditors from any further responsibility for the results of 2007 according to Law and Statute.
3. Appoint the new auditors for the financial results of 2008

Piraeus 21 March 2008

The President	The Managing Director
Dionysis Bechrakis ID No X. 075485	Nikolaos Anastasopoulos ID No X 625099