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**VRS have compiled the following Condensed Report of a publicly traded company on the Athens Exchange, Greece, solely for information purposes.**

**Investors should also look at the listed company's financial statements, annual report and other similar information, as well as risks related to its business and operations, in order to form a more analytical view about the company's fundamentals and prospects.**

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The following report is based on the publicly traded company's official financial statements, annual report, and presentation that has been compiled or performed in order to inform the communities of institutional investors and equity analysts.

## PIRAEUS PORT AUTHORITY S.A.

**Listing Year:** 2003  
**Category:** Big Capitalization  
**Activity Sector:** Port Operation  
**Foundation Year:** 1930

**Share Price:** €13.72  
 (3 June 2010)  
**Outstanding No of Shares:**  
 25,000,000  
**Market Cap:** €343 million  
**Reuters / Bloomberg:**  
 OLP:AT / PPA GA  
**Free float:** 25.86%  
**Web-site:** www.olp.gr

**Share Price Graph** (March 2006 – 3 June 2010) (Price in euro)



### Company Profile – Sector

Piraeus Port Authority (PPA) is Greece's largest port operator authority under a long-term concession agreement. Specifically, in 2002, PPA signed a 40-year concession agreement with the Greek state for the exclusive right of use and exploitation of land, buildings and infrastructure within the Port land zone, in order to provide port services. There is also an extension agreement, in 2008, for ten years and a concession agreement of the piers II and III between PPA and Cosco Pacific. PPA also maintains under management a number of state owned real estate properties that currently remain underdeveloped with no revenue stream contribution. The existing concession agreement covers only port related services, so further development and commercial exploitation of real estate or other facilities will require state approval (and likely fee adjustments).

PPA is among the world's 50 largest ports, the largest port in East Mediterranean in container throughput and the largest port in passengers traffic in Europe (20 million passengers per year). Situated in the outskirts of Athens and only 10 km away, acts as the main gate for Greek imports and exports. Piraeus Port is the hub for the connection of continental Greece with the islands, an international cruise center and the only European port in the East Mediterranean, providing services to ships of any type and size.

Piraeus, acts as a lever of development of international trade and the local and national economy. With a history starting in 1924, when the beginning of major civil works took place, Piraeus Port today has multiple activities in reference to the commercial port (container terminal, car terminal, general cargo), the central port, passenger services and accommodation of coastal shipping and cruise ships, ship services (provision of repair lots, water and electric power supply, telephone connection, berthing and harbouring) and real estate development (leasing and rental of buildings, indoor and outdoor land facilities, operation of car Parking). Port operations represent an integral part of sea transport operations, entailing two key activities: Transshipment and storage (stevedoring units) and value added services (port logistics and ship services). Container terminal is PPA's most important revenue contributor generating about 41% of group revenues followed by ship services (23%). P.P.A. S.A. employs 1,649 people (personnel cost 91.65 million € in 2009 or 68% of revenues) and annually provides services to more than 25,000 ships.

In 2010, the Pier I commenced operations. The creation of the Logistics Center at the Thriasio Pedion that will concentrate the vast cargo volumes of the Attica region and the operation of the new rail connection the following year (March 2011), connecting the commercial port at Ikonion with the Logistics Center are the two new facts that led to the establishment of a subsidiary company under the name "Intermodal Transport and Logistics Company S.A." (March 2010). It is the first strategic expansion move of PPA in the field of cargo transportation, that, combined with its new revised 5-year development plan of €1 billion that was recently approved from the Inter-Ministerial Committee, creates new opportunities and advantages. The aim of the revision of the investment plan of PPA is the following: The strengthening of its terminal handling activity. The strengthening of its activity in the cruise sector. The construction of the new exhibition center at the "Palataki" area. The construction of an elevated monorail at the perimeter of the port. The creation of a "Thematic Park" for the history of Piraeus and shipping at the "Kastraki" area. The reconstruction of the Warehouses and grain Silo.

The global financial crisis of 2008 had a negative impact in global trade and container throughput volumes in ports. This negative trend continued in 2009. The result of the crisis was that most ports in Mediterranean and Europe in 2009 recorded a double digit reduction in container throughput. It is estimated that container throughput in the Mediterranean declined by about 23%. It is characteristic that due to the reduced demand, about 11% of the container fleet was laid up and most companies applied slow steaming in order to reduce costs, without however avoiding revenue reduction or operational losses for 2009. The effect of the financial crisis was also intense, on a global scale, on the car industry. The reduction of car sales resulted in the adoption of measures from governments in order to support the industry or mergers in the sector.

Sources: Company Annual Report 2009, Company press releases, Presentation at the Association of Greek Institutional Investors on 26 May 2010.

## Review of Q1 2010 Results

The Company's turnover amounted to €33.69 million, recording an increase of 21.93%, against €27.86 million in the relevant period of 2009. However the amounts are not comparable, since from 1/10/2009 the Concession Agreement for the use and operation of Piers II & III between P.P.A. SA and Cosco Pacific Ltd entered in force and generated revenues €20.12million. Other operating revenues apart from the Container Terminal recorded a satisfactory increase with the exception of the Car Terminals sector which was heavily hit by the recession.

The remaining operational revenue recorded a 6.79% increase and amounted to €1.72 million against €1.62 million in the previous period of 2009, due to increased rental income.

Total operating expenses for the period, amounted to €1.93 million against €2.49 million in the same period of 2009, recording an increase of 16.14%. The increase was attributable to personnel payroll cost which at the same period of 2009 was reduced due to personnel mobilizations, and the abstention of personnel from overtime and weekend work.

Consumption of spares and consumables amounted to €128.4 thousand in Q1 2010 against €178.96 thousand in the relevant period of 2009. The reduction derives mainly from the concession of the Container Terminal equipments which were absorbing the main part of consumption of spare parts and materials.

Asset depreciation incorporated in the operational cost increased by 6.04%, amounting to €2.73 million against €2.58 million in the relevant period of 2009.

Net financial profit before taxes for the period amounted to €3.64 million against profit of €1.89 million in the respective period of 2009, while profits after current and deferred taxes accounted for €1.73 million, against losses of €766.2 thousand in the relevant period of 2009. Cash and cash equivalents on 31/03/2010 amounted to €2 million against €1 million on 31/03/2009.

## S.W.O.T. Analysis

### Strengths

Strategic geographical position at the crossroads of Asia, Africa and Europe

Adequate infrastructure and natural depths for the accommodation of even the largest modern container ships

24 hours - 365 days operation of the Container and Car Terminal

Scaled tariffs with reductions in case of increased transhipped quantities for container and cars

Competitive storage fees

Extended feeder services connecting the port with almost all the important ports in the Mediterranean

Integrated information system supporting port operations

Operational and safety standards according to international regulations

### Weaknesses

High personnel costs

Significant influence imposed by the dominant shareholder, the Greek state, also leading to lower operational flexibility

Low Free Float

### Opportunities

Further increase in terminal capacity

Car Terminal Development

Cost Containment

### Risks – Threats

Competition between ports – pressure on handling rates

## Specific Parameters

### REVENUES BREAKDOWN

© For the year 2009, the revenues are analyzed as follows: A. Container Terminal revenues from stevedoring operations and storage amounted to €5.12 mil. The appeared reduction is not real as it is attributed to the reduced period of operation (nine months) of the terminal against a 12 month operational period of €55,17mil for 2008. Therefore the amounts are not comparable since during the last quarter of the year 2009 stevedoring and storage operations were realized on behalf of a third party and are recorded in another line. (Revenues from the Concession Agreement).

B. A significant reduction of 35% is recorded in the revenues from the Car Terminal sector which is heavily hit by the recession. In particular a reduction by 23.1% was recorded in the number of imported vehicles, while a 68.7% reduction was recorded in transhipped vehicles destined mainly to the Black Sea countries that were seriously affected by the crisis. The bulk and conventional cargo declined by 40% which in any case presents a long term downward trend as it is progressively substituted from the containers as a means of transport.

C. In the remaining activities a 9.4% increase in revenue is recorded, attributed to the increased number of vessels that arrive for repairs and maintenance in the Ship-Repair Zone, strengthening significantly revenues from dry docks and other services to ships. It is noted that revenues for the reported period from passenger traffic are in the same level with the relevant period of 2008 (€10.30 mil. against €10.49 mil. the relevant period of 2008). D. The contract of concession of use and operation rights of Piers II and III between P.P.A. SA and Cosco Pacific Ltd which entered into force on 1/10/2009 created revenue of €6.73 million.

### FINANCIAL HIGHLIGHTS

© For 2009, the Company's turnover amounted to €28.48mil., presenting an increase of 10.72% against €16.04 mil. in the relevant period of 2008. Other operating revenues of the period amounted to €1.58 million against €7.10 mil. Total operating expenses for the period, excluding formed provisions, consumptions and depreciations amounted to €10.49 mil. against €9.59 mil. presenting an increase of 10.95% (attributable to personnel payroll as other operational expenses are reduced by 10.73%). Remaining expenses (extraordinary and non-operating) amounted to €45.64 mil. against €2.17mil. Net financial result (losses) before taxes amounts to €38.25 mil. against profits of €3.91 mil. while losses after current and deferred taxes amount to 33.56 mil., against profits of €5.59 mil. in 2008.

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