

Retail telecom giant continues its worldwide ascendancy

Germanos S.A.

The undisputed retail telecom leader in Greece, Germanos S.A. is the parent company of the multinational Germanos Group, one of the largest groups of specialized chains of stores in Europe. Already active in the markets of Central and Eastern Europe, Germanos S.A., which began as a single shop selling batteries in Athens in 1980, aims to firmly establish its presence as a retail telecom leader abroad, as well. In the past 25 years, it has already become one of the largest retail telecom chains in all of Europe by promoting its products and services in strategic ways to the various societies represented among the continent's population of 150 million people.



“With continued high-growth targets, Germanos S.A. persists in developing its brand name as one of the most respected in the retail telecom industry of Central and Southeastern Europe.”

Strategic investments extend the company's reach

In 2006, Germanos S.A. invested two million Euros to open 15 stores in Bulgaria with the purpose of helping the company maintain its leading position in the local market and enhancing the international presence of its chain. The company established 40 new sales outlets in Romania in 2006, as well, strengthening its already solid position in the Romanian retail telecom market, where it has been operating for the past decade through more than 100 successful stores. With continued high-growth targets, Germanos S.A. persists in developing its brand name as one of the most respected in the retail telecom industry of Central and Southeastern Europe. This year, the company aims to reach 1500 stores in the seven countries where it cur-

rently operates: Bulgaria, Cyprus, Former Yugoslav Republic of Macedonia (FYROM), Greece, Poland, Romania, and Ukraine. Everywhere Germanos S.A. conducts its business activities, it makes a concerted effort to respect the diversity of people and idiosyncrasies and nuances particular to each society. While taking steps to bolster its leading position in the retail telecom industry and continue to expand its reach worldwide, the company continuously invests in research and contributes to the development of each economy in which it operates.

Providing customers the power to choose generates profits

Tailoring its marketing approach to meet the needs and interests of each society in which it operates has been a successful

strategy for Germanos S.A. In the first nine months of 2006, the company reported a 4.5 percent increase in net profits over the first nine months of 2005, going from 355.9 million Euros to 371.6 million Euros. Within these profits, sales by the company's foreign subsidiaries amounted to 137.7 million Euros, a 28.5 percent increase over the 107.2 million Euros produced in the same time period the previous year.

In Greece, Germanos S.A. is the only independent chain of stores where consumers can choose from a wide range of retail telecom-related goods and services, including those in the areas of mobile and fixed telephony, Internet, cameras, video cameras, laptops, games, and batteries. The company's "one-stop-shop" philosophy provides consumers with opportunities to learn about and become acquainted with technology in all its telecommunications formats. The company also has its own specialized service department where customers can go with any concerns regarding their purchases from Germanos S.A. Germanos S.A. is a company whose name has become synonymous with innovation. One of the first companies to do so, it architecturally modified 30 of its stores in order to meet the Hermes Accessible Choice program's certification requirements for providing access to mobility-impaired individuals. The company also intentionally seeks out qualified female candidates and candidates from minority ethnic groups when filling positions in an effort to gain the statistically-proven benefits that come from employing a diverse work force. In 2004, Germanos S.A. also earned the distinction of becoming the general coordinator of a nationwide recycling program called "Dias Bat: Life EnerCy for the Environment."

Unbeatable price to quality ratio: the key to Sprider Stores' success.
Sprider Stores S.A.

A company that keeps its word about offering true value for money seems to be a rare breed in today's marketplace. Sprider Stores is an ethically-managed company proving it truly is possible to offer excellent value at unbeatable prices without sacrificing profit. Any company that can make a business executive look as good in one of its own brand's suits for less than 100 Euros as Armani does for 1200 Euros . . . well, that's a smart company.

Greek Leaders speaks with Charalambos E. Xylouris, Managing Director of Sprider Stores S.A.

How has your experience working in Germany influenced your work as managing director of Sprider Stores?

Germans are very disciplined, hard working people with sound work ethics, capable of putting things in order and finding the proper model for production. They offer all levels of quality and prices to the customer. They taught me many things which I adapted to the Greek reality and implemented later in my work here at Sprider Stores. For example, I wanted to turn this company into a solid group that would work as a team of professionals to achieve a common goal. This is the first thing I tried to convey to my associates, and it now shows on all levels of this company's organization. Each one of us has a task to do in order to achieve our common goal. No job here is of lesser importance than any other.

What factors have contributed to Sprider Stores' success in the Greek retail clothing industry?

We have created our own design department with 10 designers working for it, and we have a buying department with 35 people divided into men's, women's, children's, shoe, and underwear divisions. We buy directly from producers and we design our own products using our own brand names, such as Aggressive, Soul Rebel, Emilio Coralli and Sprider, which enables us to maintain an excellent price-quality ratio for our unique products.

What are your hopes for the company's

future in Greece?

The model we established has given us excellent results so far. We have focused on the family, ages birth-50, of the low-medium income segment of the market. I believe our model is unique around the globe in terms of being able to fulfill the needs of the whole family, with both modern and classic clothes. Our associates adjust trends from all over Europe to meet the demands of Greece's market. For now, the company's growth will be organic. In our case, as a relatively small company, it is better to focus than to diversify our activities.

How do you address the threat of new entries like H&M into the market while continuing to increase the company's value for its shareholders?

Competition makes us better. We are not afraid of H&M coming here – on the contrary, that gives us the push to become even better. Our goal is to reach 85 stores in Greece and 25 stores abroad by 2011. We presently have 46 stores in Greece and have already opened up three abroad, one in Sofia, one in Bucharest, and one in Skopje. This year alone we expect to open up 12 new stores. If we maintain this pace, we will reach our goals. We are optimistic because our cash flow and profits enable us to expand, employ dynamic personnel, and create our own leaders. The company's management has focused on the implementation of our plan for expansion, and, as the number one retail chain in Greece right now, we work hard to keep our customers and shareholders happy.

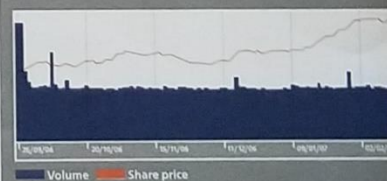
Sprider Stores was listed in the Athens Stock Exchange (ASE) two years ago and is making a strong showing. The yearly



results for 2006 were impressive, showing a 29 percent increase in sales, with another 19 percent increase projected for 2007.

Every year we give dividends to our shareholders. The increase of our share's value and our growth rate are so large that we present an excellent investment opportunity. Just one and a half years ago, our share was at 1.70 Euros, whereas now it is close to 9.00 Euros. The growth prospects of this company, including its great prospects in the Balkans, are important factors that attract potential shareholders. As soon as we establish our presence in the Balkans, who can tell where we could go next?

Sprider share price



Date	Closing Price	Volume	Athex
02/01/07	4.64	793740	3968.66
01/02/07	5.62	65777	4116.03
01/03/07	5.82	16330	4331.09
01/04/07	8.38	19325	4270.94
01/05/07	9.92	155640	4507.44

Profits (mil. €)





Shipping

Sector Overview:

Greeks and the shipping industry have long been synonymous. Perhaps some of the factors contributing to the ease Greeks seem to have in adapting to the rigors and demands of the sector lie in their national character traits. Greeks as a people are by their very nature entrepreneurs, preferring to work for themselves than be anyone else's employees. The appeal of there being no predetermined routes, timetables, or restrictions is great, and as a result Greeks and shipping are a good fit for one another.

International arena

Norwegians, Japanese, and Americans are effective in the shipping industry, but are not direct competitors for the Greeks, as they tend to run their companies like bus services, with prescribed timetables and routes. Despite the Greeks' tendency not to operate like shipowners from other countries, they still accept that English law dominates in the sector worldwide. English law is generally accepted due to the fact that it is neutral, developed, and historic, based on documented cases that date back to the 1600s.

Trade boom

The past two to three years have witnessed an international trade boom, especially in India and China. China has, in fact, become one of the hottest places to build ships; in the past, most ship-building was completed in Japan and Korea. The need for more ships is being fueled by the fact that over 90 percent of the world's goods are now transported by sea. This is excellent news for Greek shipowners, whose vessels at the end of 2005 were reportedly transporting approximately 70 percent of Chinese imported oil and natural gas.

Double-hulled advantage

Double-hulled tankers have become all the rage in the shipping industry and have spurred a rise in ship-building. As it takes approximately two to three years to build a ship, these new building projects are a boon for shipyards. The idea behind the rise in popularity of double-hulled tankers is that if the first hull is breached the second hull will prevent spillage. There is now a big push for Greek shipping companies to renew their fleets and employ only double-hulled tankers in order to meet both rising global demand and new regulations; between 2001 and 2005 Greek shipowners invested more than \$20 billion in Japanese shipyards alone to fund the construction of new ships.

Environmental impact

There is ongoing concern regarding environmental issues in the shipping industry, as emissions from ship oil are inevitable and the degree to which shipowners have a responsibility to prevent or at least reduce such emissions is constantly disputed. There is also continuing debate about whether or not to criminalize ship masters and their first crews, holding them legally liable when their ships pollute. Due to the financial impact on shipowners of managing environmental accountability, smaller shipping companies are disappearing and consolidation is becoming more common. Ports of refuge are hot topics and salvage companies are growing increasingly popular, largely due to the November 2002 spill off the coast of Spain.

Unifying forces to strengthen Greece's position in the worldwide maritime community

Ministry of Mercantile Marine



As Hellenic shipping is closely associated with Greece's national economy development, the Ministry of Mercantile Marine has been focusing on promoting policy for upgrading and developing all the country's ports, with a focus on Piraeus, Greece's largest point of entry to the country. In fact, The Piraeus Port of Authority is working closely with the Ministry of Mercantile Marine to promote the port of Piraeus as an International Maritime Center.

Taking steps to modernize and organize Maritime transportation today plays a very important role in trade activity and is having an ever-increasing impact on the worldwide market. There is an increased demand for modern high-quality and competitively-priced shipping services, which naturally means that in order for a country to complete internationally ample port infrastructure is necessary. This evolving maritime environment generates challenges for Greece, a traditional maritime country, while simultaneously offering significant opportunities for investors. The leadership of the Ministry of Mercantile Marine, in collaboration with other domestic maritime organizations including the Piraeus Port of Authority, is working to modernize Greek ports and make them more competitive. The goal is to bring Greek ports to the forefront of the international maritime community as important links in the world transport chain.

Greek Leaders speaks with George Vlachos, General Secretary of the Ministry of Mercantile Marine

For months, there has been speculation that China's COSCO is a leading candidate for investment in Thessaloniki and Piraeus, possibly with the intention of making Greece its hub for the Balkans and Africa. To what extent might a proposed equity stake in Piraeus Port Authority bring profitability, and how do you assess the likelihood of such a scenario?

In addition to COSCO, two other strong players in the coming tender procedures are Dubai Ports World and Hutchison. They have expressed their interest not only in Piraeus, which is the biggest port in this country, but also in Thessaloniki. The current capacity of the Piraeus container terminal is 1.6 million temporary units (TUs), while the capacity of Thessaloniki is 400,000 TUs. COSCO and Dubai Ports World have also expressed interest in another port in Tymbaki. Tymbaki is an area in the south of Crete. Such a port does not yet exist but there is an area of 8,500 hectares (2125 acres) there which belongs to the state, is more or less protected, and could be developed as a port area without difficulty. New jobs and incomes will be created from this big investment.

In addition to new jobs and incomes, what other benefits do you see arising from the possibility of developing the Tymbaki port in Crete, and to what extent could this development benefit the country as a whole?

The two leading companies in these discussions right now are COSCO and Dubai Ports World because they have the capabilities to invest. For many centuries, Greece has had strong relations with the Arab world.

“There is strong foreign interest in the port of Alexandroupoli because the pipelines for natural gas and oil are there.”

Everybody is welcome in this country. And of course there is the effect on tourism. When we develop these ports, we will be developing ports for recreation or marinas.

Could the ports become too efficient for the Greek infrastructure?

No, because we are working very closely with the Ministry of Public Works and the Ministry of Transport. In fact, everything we are doing is being done through close cooperation between the various ministries. We have a committee that involves the participation of 12 top officials in the various ministries and all port development decisions are made by this committee, so every decision involves perspectives from all angles.

What exciting things and ongoing projects are taking place in the other ports of Greece?

There are 12 large national ports. Excluding Piraeus and Thessaloniki, all the ports are independent organizations with 100 percent of the shares owned by the state. In Piraeus and Thessaloniki, 75 percent is owned by the state. There is strong foreign interest in Alexandroupoli because the pipelines for natural gas and oil are there. In Kavala, there is a passenger port as well as a commercial port, and interest in developing these. We have a special loan from the European Union (EU) that has very favorable terms: a period of 25 years with a grace period of five to seven years and no need for guarantee. The guarantee is the viability of the project, so this does not contribute to the public debt of the country, and the terms of this loan are available for private investors as well.

A reputable name and a strong balance sheet offer security in a capricious industry

Danaos Corporation

One of the largest containership charter companies in the world, Danaos Corporation charters its containerships to many of the largest liner companies worldwide. Danaos Corporation has employed a growth strategy for more than three decades, building from a company of three vessels into a company in possession of 30 containerships, with 28 new vessels slated for delivery between 2007 and 2010.

A solid strategy for solid growth

Deploying its containerships under multi-year, fixed-rate time charters extending up to 12 years in length may decrease some of the company's potential profits, but the trade-off is that it provides Danaos Corporation with a stable cash flow and high utilization rates. Despite foregoing flexible chartering, the company still manages to maintain a diverse chartering portfolio from the perspective of customers, locations, and maturity. This approach reduces its reliance on any particular customer or local market and retains the possibility of rechartering vessels depending on fluctuations in the charter market, a strategy that has consistently assisted the company in

experiencing profitable growth throughout every phase of the shipping cycle. Demonstrating its strength even in a charter market with lower rates than 2005 offered, Danaos Corporation managed to increase its total assets to approximately 1.3 billion dollars in 2006, up from 945 million Euros in 2005. The company also commenced trading on the New York Stock Exchange (NYSE) in October 2006. To round out 2006 with a bang, Danaos Corporation was awarded the "Dry Cargo Company of the Year 2006" by Lloyd's List

in December.

In March 2007, Danaos Corporation ordered five Post Panamax containerships and then promptly secured 15-year charters at 34,325 dollars per day with the Yang Ming Group for three of them. Also in March, the company signed an agreement with CMA-CCM to time-charter three containerships for 36 months. As these three ships were the only vessels becoming available for rechartering in 2007, Danaos Corporation now enjoys 100 percent charter coverage for its fleet in 2007.

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Efficiency and effectiveness key characteristics of a successful enterprise

Enterprises Shipping and Trading S.A.

Over the course of more than 30 years in the shipping business, Enterprises Shipping and Trading S.A. (EST) has developed from a small company focusing on the refrigerated sector to a large company with a diversified fleet of 69 vessels. In January 2007's Shipping Finance magazine, EST was ranked fifth among Greek shipping companies by deadweight tons (DWT) with a total fleet capacity of 5,020,250 DWT, and first by number of vessels.

Diversity permits flexibility

The company's managed fleet includes bulk carriers ranging in size from 25,000 to 185,000 DWT capacities, tankers ranging in size from 51,000 DWT for transporting products to 160,000 DWT for transporting crude oil and refrigerated goods. EST's operations are managed by offices located throughout

the world, from Greece to Korea, South Africa to the United States (US). More than 2,000 employees work in these offices and on the vessels themselves, combining their efforts to produce more than \$1 billion in operating revenue per year since 2003. Long recognized for its leadership in quality management, security, safety, and environmental management systems, EST was honored with the "Committed to Excellence" award from the non-profit European Foundation for Quality Management (EFQM) in 2004. The first shipping company ever to receive this award, EST was selected for surpassing the requirements of the EFQM business model, which concentrates on managing activities efficiently, effectively, and competitively in order to ensure long-term success. Long-term success for EST? No doubt.

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Greek shipping conducted with strength and dignity

Diana Shipping Inc.

Diana Shipping Inc. is a company that symbolizes everything good about the international bulk shipping industry. Specializing in the transporting of dry bulk cargo, the company was being run like a public company long before its listing on the New York Stock Exchange (NYSE) in 2005. In fact, Diana Shipping Inc. actually was structured from its creation with the aim to become a publicly-listed company.

By consistently pursuing a flexible time-charter employment policy for its vessels, Diana Shipping Inc. has become one of the strongest and most profitable Greek dry bulk shipping companies. The company's modern fleet, including the strategically-purchased groups of sister ships, supports its focus on being cost efficient and maintaining flexible operations and scheduling. Solidifying Diana Shipping Inc.'s spot in the industry even further is CEO Simeon Palios, whose family has a long-standing seafaring background and who knows what it takes to protect his company from the ebbs and flows of an inherently volatile industry.

Greek Leaders speaks with Simeon Palios, CEO of Diana Shipping Inc.

In your opinion, why do Greeks continue to dominate the shipping industry?

It's a tradition, a love for the sea. Today almost 22 percent of the world's shipping is controlled by Greek interests. I think Greeks like to take a view on the freight market, and they tend to know better than others when to enter and when to get out of shipping investments. There are many advantages flowing from investing in shipping compared to investing in other industries, and I think Greeks have recognized these. For example, in shipping you pay very little taxation, you don't operate within a single legal jurisdiction, and you have the choice of dealing with only first-class financial institutions, charterers, and insurance companies.

Many Greek companies are hesitant to adapt to the modern corporate structure and transparency required by the stock exchange – why do you think this is?

If you choose to adopt a modern corporate structure, you have to be 100 percent focused on what you are doing and you have to be very disciplined. If you are already disciplined, the stock exchange's requirements do not seem so burdensome. We find that the stock exchange requires us to conduct our business in a manner very similar to that adopted by us prior to becoming a public company. We have always been very open in our dealings and accounting. Since we started in this business we have operated in this manner, even though the capital

“We want to be long-term players in the shipping industry, and to succeed we have to have young ships and a strong balance sheet.”

invested was our own and we did not have to account to any third party except perhaps to our bankers. We like operating our business with a modern corporate structure and we firmly believe that the adoption of such high standards of reporting and accountability places us in a completely different class among our peer group of ship operators.

How does Diana Shipping Inc. compare to other shipping companies?

When you are assessing a shipping company, you cannot look only at its financials and compare them with those of other companies. You have to compare a host of other factors, such as the condition of the ships. If the condition of the ships is poor, spending money on such assets increases the risk of the investment ever becoming profitable. We have a strong balance sheet and a young fleet – I think these two things eliminate a major unknown factor that exists in ship-owning which is related to the operating expenses and off-hire. This makes us comparatively strong. We are not

the biggest company by deadweight, but that's irrelevant. If a company has 100 ships with an average age of 15 or 30 years, then the company runs the risk of encountering serious operational problems.

How are you best positioned to take advantage of the current upswings in the dry bulk industry and in the Chinese and Indian demands?

I think the fact that we have young and efficient ships is an advantage for us. We are already reaping the benefits of having ships that have the size and age that charterers require most, and we can take advantage of long-term chartering opportunities. Old and inefficient vessels cannot take advantage of lucrative long-term employment opportunities that are based on the long-term contracts of affreightment backed by the continuously rising demand for commodities by China, India, and other Asian countries.

What is your forecast for Diana Shipping Inc.'s role in the future of the industry?

In shipping, we should not get carried away and make forecasts. If you try and make detailed predictions, you are bound to be proven wrong. Why do we have young ships in our fleet, and why do we have a strong balance sheet? Because we do not want to be at the mercy of market swings. We want to be long-term players in the shipping industry, and to succeed we have to have young ships and a strong balance sheet. If you have a strong balance sheet and the market takes a down turn, you can buy more ships while other companies are preoccupied with finding ways to pay their debt.

The Harry Potter of Gas

Vafias Group of Companies

Harry Vafias, a.k.a. the Wizard of Gas, has managed to grow the Vafias Group fleet from 15 bulk carriers in 1999 to an amazing 70 ships – including bulk carriers, crude oil tankers, and gas carriers – today. He hails from the famous island of Chios in the Aegean Sea, the place from which 70 percent of the biggest shipowners by numbers of ships or deadweight come. When Stealth Gas, Inc., the group's gas arm, was listed in October 2005, Vafias and his company promptly broke two world records: the company was the first pureplay liquid petroleum gas (LPG) company to be listed anywhere in the world, and he himself became the youngest CEO of a listed shipping company worldwide, a title he continues to hold today. Providing international seaborne transportation of LPG is a thriving business, and by focusing on this segment of the shipping industry Stealth Gas, Inc. has managed to claim an 11 percent share of the niche market for itself. Transporting oil and natural gas products and byproducts in their liquid states, the young company already ranks first among companies operating in the 3,000 to 8,000 cbm segment and owning their vessels.

Greek Leaders speaks with Harry N. Vafias, Founder, President, and CEO of Stealth Gas, Inc.

One of your most recent endeavors, Stealth Petroleum, was established last summer. You have said that this company will probably be listed in both Europe and

the Middle East, which is a move that has never before been done in the shipping industry. What led you to choose this direction for Stealth Petroleum?

The easiest way to raise money in this business is to go to the United States (US) capital markets. We couldn't go there with our company because all our ships were on bareboat charters, which is considered "passive income" in the US and it is taxed. In the Middle East many people made a lot of money with the increase in oil prices and are looking for smart investments. There are not many listed Middle Eastern companies, so what could be better than brand-new oil tankers, a steady income, and a generous dividend? That is why we decided to try out that area. We have already found a state-owned Middle Eastern company that wants to partner with us.

What is your forecast for Stealth Petroleum?

Stealth Petroleum is a dividend company, meaning that investors buy shares to get a big annual dividend. Stealth Gas, however, is a growth story, as shareholders get a lower dividend and expect to buy growth. With Stealth Petroleum we just want to have a modern fleet with good charters attached that gives a large dividend per annum, between eight and 10 percent – nearly double what you would get from a bank for your money.

When you prepared to list on the NASDAQ exchange, how did you persuade



“We made four promises to our investors about Stealth Gas and we kept all of them.”



investors to believe in a young company managed by a young CEO?

They saw what I did with Stealth Maritime, which started in 1999 with one ship worth \$3 million and ended up, in 2004, with net assets worth \$400 million. They saw what I did with our joint venture trading company in Australia (BBT), which started with an initial equity of \$500,000 and today is the biggest importer of grain into the Middle East, especially in Iraq. All the other suppliers stopped their business there during the war; we were the only ones who continued transporting two to three million tons of grain per annum to Iraq.

What key driving forces have contributed to your strong growth?

We made four promises to our investors about Stealth Gas and we kept all of them. First, we said that within nine months after the IPO, it would have the largest LPG fleet in the world. Second, we said that, despite the growth, we could maintain a low debt level, at the moment having a very moderate 40 percent debt-to-market value. Third, we said that 75 percent of our ships would always be on period charter with blue chip names like Shell, StatOil, Vitol, FinGas, and others. Finally, we also promised that we would use several third party managers for our ships, evaluate them after a period of time, and keep the very best of them, thus limiting running costs. These were the four promises I made to our investors and we have managed to fulfill them, securing an 11 percent market share. For 2006 we have a utilization rate of about 99 percent, which is the best percentage possible.

Prioritizing the well-being of seafarers, vessels, and the natural environment leads to success

Thenamaris Ships Management Inc.

Highly respected in the Greek shipping industry, Thenamaris Ships Management Inc. is a company with 30 years of experience in sea transportation services. Managing a 44-vessel fleet of approximately five million deadweight tons (DWT), the company makes it a priority to transport its clients' goods safely and efficiently. Proving that commitment to caring for its human resources, vessels, and the natural environment can add up to high profitability, Thenamaris was ranked eighth among the top 50 Greek shipping companies in January 2007 by Shipping Finance magazine both in terms of DWT and vessels.

Protecting assets, including Nature's
Due to the fact that Thenamaris's manage-

“Thenamaris was ranked eighth among the top 50 Greek shipping companies in January 2007 by Shipping Finance magazine both in terms of DWT and vessels.”

ment understands the inherent perils of the sea, the company makes it a priority to take actions to protect its employees, its vessels, and the natural environment. The company's seafarers, for example, continuously undergo awareness and preparedness training, and confidently sail on sound ships.

Taking care not to disrupt ecological balances anywhere it operates, Thenamaris observes strict guidelines for cleaning, maintaining, and disposing of all its materials and equipment. Additionally, the company uses high-quality fuels in an attempt to minimize its vessels' hydrocarbon emissions, tin-free paints, and environmentally-sensitive refrigerants, while actively avoiding the use of any ozone-depleting substances.

A shipping company rated ten out of ten for benefits to shareholders

Tsakos Energy Navigation Limited

Tsakos Energy Navigation Limited (TEN), managed by Tsakos Shipping and Trading S.A., specializes in the transportation of crude and refined oil products worldwide. Through its subsidiaries, TEN owns or controls a fleet of 26 tankers, including three chartered vessels, one Aframax, and two Suezmaxes. Comprising 2.9 million deadweight tons (DWT) with an average age of 7.3 years, the company's fleet's average age is significantly lower than the worldwide tanker tonnage average of 12.1 years. TEN's fleet, which is scheduled to increase by the acquisition of 12 new vessels in mid-2007, is currently 95 percent double-hulled, and delivery of the new vessels will result in a fleet of 38 vessels totaling 4.4 million DWT.

Reaping rewards for shareholders in the face of challenges

TEN, incorporated in Bermuda, has been listed on the Bermuda Stock Exchange (BSX) and Oslo Stock Exchange (OSE) since its inception in 1993. In 2002, the company was listed on the New York Stock Exchange (NYSE). Shareholders have benefited from their stake in TEN for years now, and last year was no different. Cash dividends with

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respect to 2006 operations totaled 2.75 dollars per share, a 31 percent increase from 2005 total dividends, while basic per share earnings rose to 10.30 dollars from 8.18 dollars in 2005.

The company had an outstanding year in 2006, reporting a net income of \$196.4 million compared to \$161.8 million in 2005. Net revenues, meanwhile, leaped 45 percent, from \$248.05 million in 2005 to \$343.15 million in 2006, and EBITDA was \$255.46 million, in contrast to the \$197.45 million the previous year. TEN sold three vessels, producing a capital gain of \$38 million, and acquired eight modern vessels. The average rates its vessels earned also rose, despite operating in a softer market than they did a year earlier. If the company is still reaping rewards for its shareholders

while operating in a soft market, its management clearly knows how to win in spite of external circumstances.

TEN's share price movement



Stepping away from tried-and-true is taking a young shipping company straight to the top
Top Tankers Inc.



TOP TANKERS INC.

An international company providing global transport of petroleum products, Top Tankers Inc. operates a fleet of 24 double-hulled tankers, 13 of which are double-hulled Suezmax tankers while the remaining 11 are double-hulled Handymax tankers. Approximately 88 percent of the fleet are sister ships, and more than half are on time-charter contracts involving profit-sharing agreements. The fleet's total carrying capacity is roughly 2.5 deadweight tons (DWT), which is clearly being successfully and regularly maximized: first-half results for 2006 show that Top Tankers Inc. enjoyed an increase in voyage revenues from \$103,620,000 to \$171,603,000 year-on-year.

Greek Leaders speaks with Evangelos J. Pistiolis, CEO and President of Top Tankers Inc.

What sets you apart from your competitors and allows you to remain present in the international market offering competitive prices?

There are many things that differentiate us from the competition. To start with, I do a lot more deals than anybody else does. I am constantly moving forward. We went public in July 2004 with the fastest-ever IPO, 97 days, and at that time we raised \$150 million; three months later, we raised another \$150 million with a further offering. We were one of the few companies to make a follow-on offering within three months from its IPO. At that time, that was the largest-ever IPO in shipping. I was also the youngest CEO in the United States (US) at that time, as well as the first one to introduce the profit-share concept to the public market. Our profit-share agreements have proved a very successful strategy for the company.

Is competition increased by the lower average age of ships and their size, especially in connection to the increasing

demand for transportation from China?

Different ships have different sizes and fit different purposes. Our ships are divided into crude oil carriers and product carriers. An increase in demand from China does not mean that we would use more large carriers. Having larger ships does not mean that you are better positioned for future demand. You need flexibility in terms of different types of cargo you can carry and different ports you can access, especially when the market is going down. And the fleet's average age doesn't really matter. What matters is that the ships are double-hulled. This is what I told the investors when I began my business, asking them to put their money where it would produce more money. We are one of the first companies to have a 100 percent double-hulled fleet.

China and India are developing rapidly. How do you see these markets? Are you ready to reap the benefits of this growth?

Top Tankers, together with other companies, has already been reaping the benefits of this growth. This five-year, super-demand increase has never hap-



“Our profit-share agreements have proved a very successful strategy for the company.”

Evangelos J. Pistiolis, CEO and President of Top Tankers Inc.

pened before in the history of shipping, especially in terms of volume. Our business is currently 30 percent East and 70 percent West. We are ready to make it 50-50. And since there are no borders in



M/T Noiseless, 149,599 DWT,
Double Hull Suezmax vessel

```
var i,x,a=document.MM_sr; for(i=0;a&&i<a.length;i++)
function MM_preloadImages() { //v3.0
var d=document; if(d.images) if(!d.MM_p) MM_p=new Array;
var i,j=d.MM_p.length,a=MM_preloadImages.arguments;
if (a[i].indexOf("#")!=0) d.MM_p[i]=new Image;

function MM_findObj(n, d) { //v4.01
var p,i,x; if(!d) d=document; if((p=document.getElementsByTagName(n).length)>0)
d=parent.frames[n.substring(p+1)]?document.frames[n.substring(p+1)]:d;
if(!(x=d[n])&&d.all) x=d.all[n]; for (i=0;!x&&d.layers&&i<d.layers.length;i++)
if(d.layers[i].x && d.getElementById) x=d.getElementById(n);
return x;

function MM_swapImage() { //v3.0
var i,j=0,x,a=MM_swapImage.arguments; document.MM_swapImage=MM_swapImage;
if ((x=MM_findObj(a[i]))!=null){document.MM_p[i].src=a[i].replace(
MM_preloadImages("http://jobs.cgsociety.org/images/
Banners
width="900" border="0" align="center" alt="Banner
src="http://www.almal.com/
"");
```

Telecommunications and Information Technology

Sector Overview:

The Greek mobile telephony market is highly penetrated –exceeding 95 percent, in fact, a penetration percentage much higher than the average throughout the European Union (EU). Mobile telephone communication has become a pervasive component of Greek life, with everyone from children to priests possessing at least one mobile telephone. Nevertheless, the business segment of the market remains a high-growth area due to considerable investments made by many of the companies involved in the sector.

Strike for your rights

During September 2006, employees of the Hellenic Telecommunications Organization (OTE) held 24-hour regional strikes in order to draw attention to their mostly non-pay-related demands. The demands included prevention of the full privatization of the OTE Group, elimination of certain financial aspects of the voluntary exit scheme, and permanent status for contract workers employed by OTE. Some of the employees' demands were met and a new company labor agreement was signed.

Compucon

A leading Greek technology company with presence in 62 countries and extensive export activities, Compucon develops innovative integrated software and hardware applications and solutions for specialized markets. The company has penetrated the United States (US), Japan, and Europe, with a sales network extending throughout Africa, Australia, the Middle East, and Southeast Asia. This from a company that began 20 years ago in Thessaloniki as a software company serving the industrial embroidery sector.

Oracle

Oracle is both the world's leading supplier of software for information management and the world's second largest independent software company. Its technology is present in nearly every industry, including in the data centers of 98 of the Fortune 100 companies. In Greece, the company has been a component of many technological milestones, including introducing modern, multi-channel telebanking solutions to banks, instituting its Oracle E-Business Suite in the Athens International Airport, and being the database used by the 2004 Olympic Games.

Vodafone

As of January 2007, Vodafone was serving approximately 200 million registered customers and 600 million venture customers, nearly five million of those in Greece. Listed on both the London and New York Stock Exchanges, it is the largest mobile telecommunications network company in the world, with equity interests in 25 countries across five continents and partner networks in an additional 38 countries. It was the fifth largest company in the Financial Times Stock Exchange 100 Index in May 2006, as well as the 22nd largest company in the world based on market capitalization then.


Wind

In February 2007, the ever-evolving company that began as a subsidiary of Telecom Italia in 1992 was acquired by Weather Investments S.P.A. and was renamed Wind. Known for years as Tim Hellas, the company is one of Greece's largest telecommunications companies with an annual turnover of approximately 1.1 billion Euros and more than four million customers. In 2001 the company launched Greece's first pre-paid package and in 2002 it piloted the 3G network.

Greek mobile telecommunications company challenges leadership in Southeastern Europe

COSMOTE Mobile Telecommunications S.A.

In the summer of 2006, Business Week announced COSMOTE one of the world's technological leaders. Ranked sixth globally in terms of return on equity, COSMOTE found itself in the company of multinational giants like Amazon.com and Dell. Appearing for the first time on Business Week's Information Technology 100 list, COSMOTE was, in fact, the only Greek company to make the list in 2006. Quite impressive for a company that entered the Greek market at third position in 1998, in three-and-a-half years managed to unseat the established competition as the market leader, and now is one of Southeastern Europe's biggest and fastest growing mobile operators.



“Appearing for the first time on Business Week’s Information Technology 100 list, COSMOTE was, in fact, the only Greek company to make the list in 2006.”

COSMOTE Group CEO, Mr. Evangelos Martigopoulos, during a press conference celebrating COSMOTE Romania's first year of successful operations.

Expansion and innovation: key growth drivers

The combination of rapid growth and impressive profitability assisted in bolstering COSMOTE's position for brisk and broad expansion throughout Southeast Europe. COSMOTE Group is now thriving in Greece and four other Southeastern European countries:

- in Albania through its subsidiary AMC, the leading mobile operator in the domestic market that posts profitability margins among the highest in the sector in Europe,
- in Bulgaria through GLOBUL, the second biggest mobile operator in Bulgaria, which continues its impressive course on all fronts, gaining momentum and market share by focusing on a robust network and a competitive commercial strategy,
- in the Former Yugoslav Republic of Macedonia (FYROM) through COSMOFON, which is demonstrating a particularly positive course, constantly enhancing its market share and improving its performance, and
- in Romania through COSMOTE Romania, which launched operations in December 2005 and in one year exceeded 1.2 million customers, making its presence evident in the domestic market with its competitive pricing and attractive services.

By operating in these five distinct and booming markets, COSMOTE has expanded its marketing to address the needs of nearly 46 million people and is already servicing almost 11.2 million customers. According to Evangelos Martigopoulos, CEO of COSMOTE Group, “Having invested

“COSMOTE was among the first operators in Europe to roll out the GPRS network, was the first to launch 3G services with video streaming in Greece, and was second in the world after NTT DoCoMo to introduce i-mode 3G services.”

more than 1.2 billion Euros, COSMOTE has been among the most active investors in Southeastern Europe in recent years, and, as a result, has emerged the top operator in the region. Presence in these developing markets is key to COSMOTE's future growth, as we expect to increase our customer base to 15 million by 2009.”

Innovation a key ingredient to the recipe for success

Poised for technological innovation and always focused on its customers, COSMOTE has sought to unfailingly deliver integrated and continuously-upgraded products and services to its clients. The company's track record is marked with a number of technical 'firsts' and achievements: COSMOTE was among the first operators in Europe to roll out the GPRS network, was the first to launch 3G services with video streaming in Greece, and was second in the world after NTT DoCoMo to introduce i-mode 3G services. Furthermore, COSMOTE was the first operator in Greece and among the first in Europe to upgrade its 3G network with the mobile broadband technology HSDPA, offering data services at the fastest rates in the market. Recently, the company also pioneered the introduction of integrated fixed broadband services combined with mobile communications services through its new “COSMOTE ADSL” packages, provided in cooperation with OTENET, the leading Internet provider in Greece. Already popular among Greek mobile users, i-mode services were recently launched in Bulgaria by GLOBUL and will also be introduced in Romania in 2007.

Essential partnerships

As a company committed to commercial expansion, products and services differentiation, and costs and investments optimization, COSMOTE Group has taken bold steps to broaden its offerings and customer base even further by acquiring control of a booming company that can offer access to a whole different niche of the telecommunications market. In 2006, COSMOTE Group joined forces with GERMANOS S. A., one of the best-known and most popular telecommunication product retailers in all of Southeastern Europe.

The acquisition of GERMANOS signals a new era in the development of the group as a strong player in the international telecommunications industry, offering COSMOTE the opportunity to directly and most effectively meet all its customers' needs. By capitalising upon GERMANOS's expertise, COSMOTE will be able to directly implement its commercial policies and initiatives, offer even higher-quality integrated services covering all market segments and needs, better control distribution costs, explore further synergies and savings, and, more importantly, attract new customers. GERMANOS is expected to become the engine of COSMOTE Group subscriber-driven growth. The GERMANOS acquisition in effect cements COSMOTE's place as a leader in the Greek market and provides a springboard for it to further enhance its presence in the mobile markets of Southeastern Europe, building a substantial lead over its competition. Martigopoulos notes, “With a single-minded vision for offering seamless communications, we steadily strive for excellence. To this end, our decisions are aimed at enabling us to strengthen our

presence further. The recent acquisition of GERMANOS, the largest and fastest growing retail network in the Southeastern Europe telecom market, is a key investment.”

Comprehensive and ever-expanding networks

COSMOTE already has one of the most extensive telecommunications networks in all five countries where it operates. Other factors crucial to COSMOTE's hitherto success include pricing its services competitively, specializing its services to meet the needs of each market segment, constantly expanding its distribution network, perpetually seeking opportunities to demonstrate leadership in technological innovation, and continuously upgrading its integrated mobile solutions, thereby increasing its favorable brand recognition. None of COSMOTE's admirable efforts would mean anything, however, if its potential customer base did not have easy access to its products, or did not know that it offers services which set it apart from its competitors. For that reason, new points of sale are regularly being added, partly through the establishment of valuable synergies with local retailers in each market. In addition to acquiring GERMANOS, COSMOTE recently signed an exclusive partnership agreement with Internity in Romania. Internity is a retail chain of French group Avenir Telecom and runs 75 stores throughout Romania. Notably, COSMOTE Romania's distribution network currently comprises over 600 points of sale, being one of the strongest in the country. Likewise, GLOBUL has developed a vast and flexible distribution network of over 720 points of sale across the country, making it the largest in Bulgaria.

Financial robustness with significant subscriber growth

In 2006 COSMOTE Group registered enhanced performance across the region, driven by an impressive subscriber boost in all markets. For 2006, the group reported consolidated profit growth of 6.1 percent to 360.5 million Euros, with sales up 33 percent at 2.4 billion Euros. Group EBITDA reached a record 876.2 million Euros.



Last year, COSMOTE attracted three million new customers, bringing its year-end subscriber base to about 11.2 million. Approximately 43 percent came in the fourth quarter alone, mainly due to the GERMANOS acquisition.

“The strategic acquisition of GERMANOS is expected to have a much greater impact in 2007. It will accelerate the expansion of the customer base across the COSMOTE Group, as is already evident from our fourth quarter 2006 results.”

Evangelos Martigopoulos,

CEO of COSMOTE Group

During the fourth quarter of 2006, COSMOTE acquired control and fully consolidated GERMANOS S. A., the best-positioned retail network in Southeastern Europe, currently comprised of over 645 points of sale. GERMANOS is strongly contributing to the group's performance, both directly through its own financial results as well as through its catalytic role for the growth of the group's subscriber base.

Notably, last year COSMOTE added an additional three million customers, bringing its year-end subscriber base to about 11.2 million. This remarkable 35.4 percent growth was fuelled by the GERMANOS acquisition. As the group's new arm almost tripled its net additions to COSMOTE in the four markets of joint operations in 2006, at the same time it increased its share in group net additions from 38 percent in the first six months of the year to 46 percent in the second six months. COSMOTE's Romanian subsidiary also played a significant role in this growth, recording a subscriber increase from 50 thousand at the end of 2005 to about 1.23 million one year later. Romania, a country of 23 million people and the group's biggest market, will assuredly play a big role in COSMOTE's future growth.

As joint commercial initiatives take effect and GERMANOS expands its own branded stores from a total of 610 at the end of 2006 to over 800 by the end of 2007 and a total of over 1,000 shops within the GERMANOS network, COSMOTE is expected to further strengthen its customer reach. Says Martigopoulos, “The strategic acquisition

of GERMANOS is expected to have a much greater impact in 2007. It will accelerate the expansion of the customer base across the COSMOTE Group, as is already evident from our fourth quarter 2006 results. In 2007 we have to face several challenges in all our markets, but we are better prepared than ever to continue on our successful course, targeting one of the fastest growth rates in the European mobile industry. The records achieved in 2006 are a stepping stone in this direction and improving every aspect of our performance further is our commitment for the future.”

Putting social responsibility back into CSR

Over the years COSMOTE has built a strong brand that invokes attributes of ethical commitment and proactive contribution, a human-centric philosophy based on the principle of sustainability. By sustainability, the group means financial sustainability and subsequent continued growth capability for shareholders; sustainability for all people, communities, and natural environments; and sustainable workforces amid the wider operating landscape of the company. COSMOTE has invested considerable resources in its CSR activities since its very inception, and has opted to do so by focusing on the actual implementation of a wide range of CSR initiatives.

As it started expanding in other countries, COSMOTE deployed marketing practices, brand-essence philosophies, strategies, and its human capital culture, all deeply affected by its existing social profile, past

track record, and reported commitments. COSMOTE has found that in this era of globalization, its own best interests and the best interests of the people and natural environments of the markets in which it operates are most effectively achieved when its staff "thinks globally, acts locally." Essentially, COSMOTE has been moving into Southeastern Europe with the same principles, transparent operation, and ethical values which have matured in Greece and have created a unique "school of thought" for all COSMOTE employees. Social welfare and health, environmental protection, culture and education, and volunteerism constitute the main pillars of COSMOTE's CSR program, aptly referred to as "Participation."

Working closely with its subsidiaries in the region, COSMOTE spreads the word of its core CSR philosophy, adapts it to local needs, and addresses identified real-life issues, developing synergies for a wider impact. Perhaps more importantly, the group takes local successful practices into account and incorporates them into the "global" social agenda.

Working towards the common good

In a palpable demonstration of its concern for potential customers with particular physical challenges, COSMOTE has become a leader in products and services available for these customers. For example, text messaging at a reduced rate is available for hearing-impaired customers, while voice e-mail and video-call are offered at lower charges for people with impaired vision. "Smart Eyes," a ground-breaking navigation program for people with impaired vision developed by researchers at Aristotle University of Thessalonica, will soon be made available for trial by 150 users. For the past six years, COSMOTE has been donating a significant part of its New Year's Day text messaging revenues to child care organizations in Greece. Likewise, COSMOTE has participated in preventive medicine campaigns of the Greek non-profit organization Open Arms. For the past five years, COSMOTE has been granting scholarships to undergraduate students in Greek universities, a practice also adopted

"Smart Eyes,' a ground-breaking navigation program for people with impaired vision developed by researchers at Aristotle University of Thessalonica, will soon be made available for trial by 150 users."

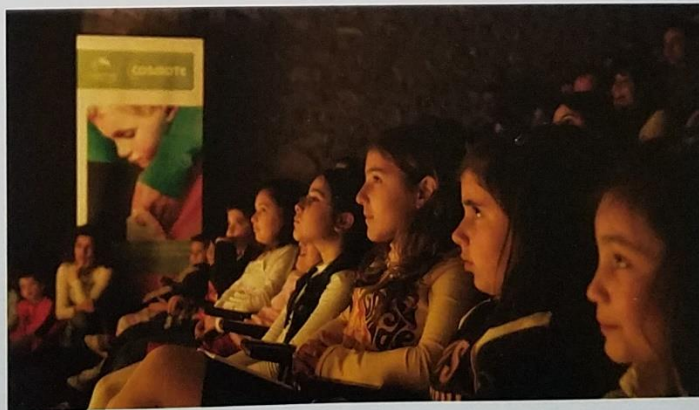
by its subsidiaries in Albania and Bulgaria. Recently the company introduced an ergonomics program called "Come to Sports," which assesses the athletic skills of youngsters ages nine to 16 and aims to help them find the best sport to meet their interests and skills.

COSMOTE is taking decisive action when it comes to protecting the environment, too. The company implements an Environmental Management System in order to monitor, evaluate, and minimize the impact of its activities on the environment, simultaneously implementing internal awareness campaigns to motivate its employees towards eco-friendly behavior. Furthermore, in 2005 COSMOTE launched its handsets and accessories recycling program in cooperation with the Alternative Waste of Electrical and Electronic Equipment Management System, "Appliances Recycling S.A." Equally inspiring is the fact that COSMOTE invests in the use of renewable sources of energy through its use of hybrid photovoltaic

systems to cover the power needs of specific base stations.

COSMOTE is here to stay

It is apparent that COSMOTE is a group building a foundation for long-term growth and consistently profitable operations. Between offering its customers high value at low costs and conscientiously taking care of the human and natural resources in the countries where it operates, COSMOTE has noticeably and powerfully taken on a leadership role in every possible arena of the telecommunications industry. Business Week very carefully and thoughtfully determines its rankings of the companies that make its Information Technology 100 list. COSMOTE was not assigned sixth position with regards to returns on equity by accident. As a representative of Business Week noted, the recent acquisitions and international activities of COSMOTE "should boost COSMOTE's profile even more." One thing is for sure: COSMOTE is here to stay.



Through its CSR program, "Participation," COSMOTE initiates and systematically supports organizations working with children.

Introducing the Internet to Greece

Forthnet S.A.

Forthnet S.A. is the largest privately-owned broadband service provider in Greece. Originating as a spin-off from the Foundation for Technology and Research in 1995, it has been listed on the Athens Stock Exchange (ASE) since 2000. The company has maintained a leadership position in the Greek Internet services market ever since.

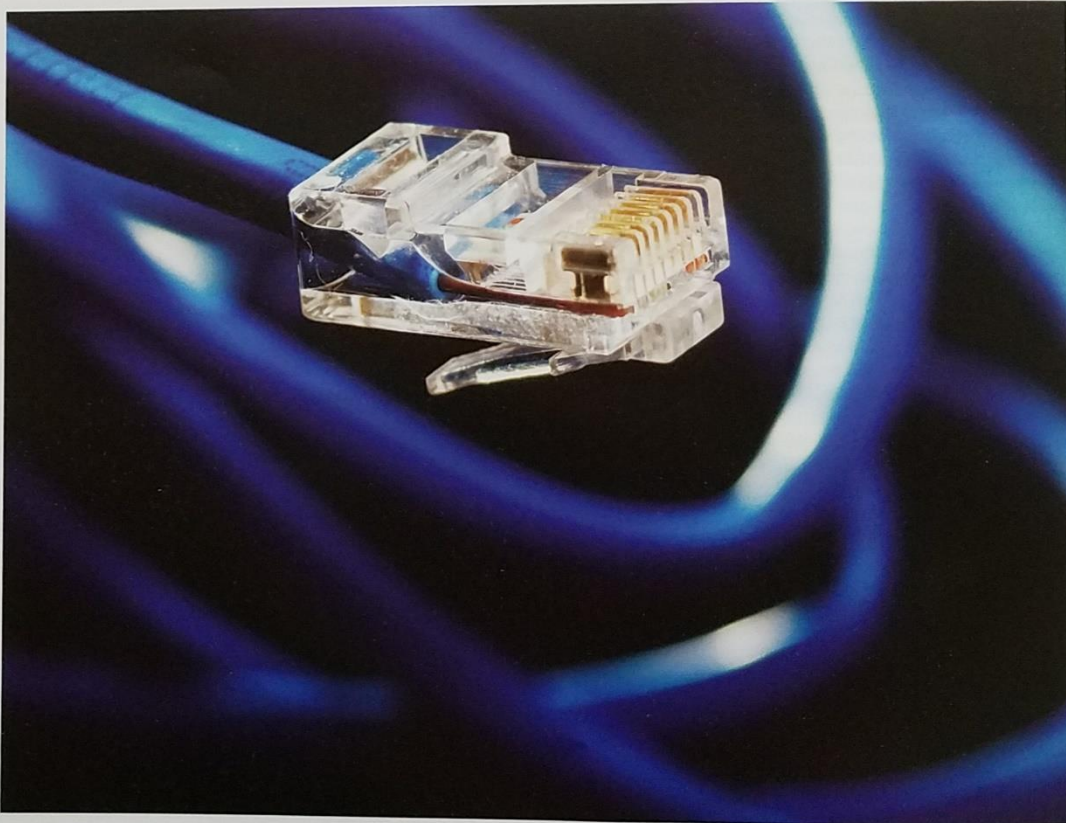
Pioneering services

Forthnet was the first company to introduce Internet services in Greece. In 2002, as the Greek telecommunications market began to be deregulated, the company started offering a full portfolio of fixed-line services. Since broadband was introduced to the Greek market, Forthnet has maintained a market share of more than 20 percent. In addition to its Internet services, Forthnet also specializes in data

centre services, interactive marketing, and advanced mobile services.

In May 2006, the company raised 120 million Euros in order to invest in unbundling and infrastructure. The aim of the project is to reach the majority of the Greek population, offering double- and triple-play services over unbundled lines. If Forthnet's track record is any indication of its future success, there can be no doubt that this latest venture will be lucrative.

“Listed on the Athens Stock Exchange (ASE) since 2000, Forthnet was the first company to introduce Internet services in Greece.”



Integrating technology into Greek life

Info-Quest S.A.

Info-Quest, in conjunction with its subsidiaries, currently employs more than 1,200 people and is the parent company of one of the leading high-tech groups in Greece. Listed on the Athens Stock Exchange (ASE) since 1988, the company became a contender in the Greek information technology (IT) market soon after being established in 1981 and has remained at the forefront of the Greek IT sector ever since. Already a force in Albania and Romania, Info-Quest has plans to proceed with a well-planned penetration of the other Balkan countries in the near future.

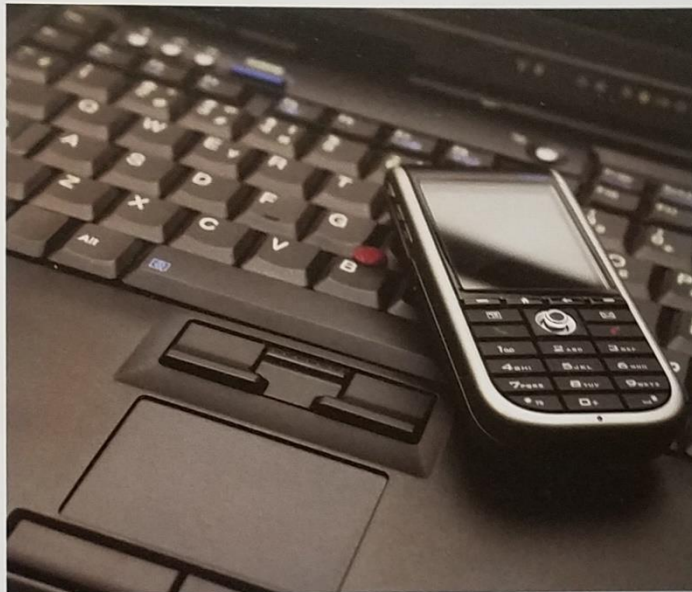
Leading the way to technological access for all

The first to create an organized computer assembly line in Greece, Info-Quest is no stranger to leadership and innovation. Its role as a leader in the industry was further strengthened when it turned out the first generation of senior IT managers, who have since been providing their expertise to the subsidiaries of numerous multinationals in Greece. It has also established and continues to maintain highly successful collaborations with more than 60 leading international companies, providing customers with access to the entire range of advanced technology products, services, and solutions available.

Since its establishment 26 years ago, Info-Quest has systematically invested in its organization and infrastructure. As a result of its integrated presence in the IT market and in the other sectors where it is active, the company is now in a position to lead the Greek IT market. It is also systematically implementing an expansion plan throughout the Balkan region that focuses on the creation of autonomous business units capable of meeting the specific needs of their respective local markets in order to best serve the communities in which they operate.

Concentrating on expanding IT services

Significant in Info-Quest's evolution was the sale of its telecom business in 2006 for 330 million Euros. This sale provided the company with the funds needed to continue its expansion of services in the IT sector while simultaneously investing in high-growth areas of the Greek market, such as the energy sector. Since selling its telecom business, Info-Quest has acquired 49 percent of Unisystems S.A. and two wind farm companies.



“Info-Quest has established and continues to maintain highly successful collaborations with more than 60 leading international companies, providing customers with access to the entire range of advanced technology products, services, and solutions available.”

Financial results for 2006 derived from continuing IT operations include sales of 287 million Euros, gross profits of 24.7 million Euros, and total assets of 306.6

million Euros. Now the largest Greek IT company ranked by sales and volume, Info-Quest is also a majority shareholder of Greece's leading courier company, ACS.



Tourism

Sector Overview:

Greece accommodates approximately 16 million visitors annually, which means that the country's visitor-to-resident ratio is around 1.45:1. Of those 16 million visitors, around 20 percent come from the United Kingdom (UK), 18 percent from Germany, nine percent from Albania, six percent from Italy, and five percent from France, with the number of visitors from the United States (US) beginning to rise again after a post-September 11th, 2001 dip. The number of annual visitors is expected to reach 20 million by 2010.

Times are a-changing

Tourism is a keystone of Greece's economy, generating an annual turnover of more than \$10 billion and representing about 18 percent of the country's GDP. During the course of the last decade, the market has shifted from one in which the Greek State was providing grants for hotel development to one encouraging up-market growth and promoting diverse kinds of tourism. Among the array of options visitors to Greece are choosing from these days are agrotourism, religious tourism, and sports and culture tourism. Year-round activity vacations are also becoming more popular, signifying a shift in tourists' thinking. For decades Greece was considered only a summertime holiday destination; today, Greece ranks among the world's top 15 destinations.

Post-Olympic Athens

Three years after Athens hosted the Olympic Games, Athens is still seeing hotel occupancy and room rates rise. Visitor numbers continue to swell as Athens side-steps the post-Olympic dip experienced by Sydney and Barcelona. In fact, by the end of 2006 hotel occupancy was standing around 66.5 percent, a significant increase over the 58.3 percent it saw in the first seven months of 2004 as it prepared to host the Olympics. Rates have also shot up, averaging around 88 Euros in revenue per available room in 2006, higher than rates for comparable rooms in Madrid and Lisbon, which stood at around 82 Euros and 58 Euros, respectively, in revenue per available room.

Reinvention

Athens took advantage of the opportunity provided by the 2004 Olympic Games to improve its image worldwide and reinvent itself as one of Europe's great cities. No longer a place to stop through on one's way to the islands, Athens has in the past three years developed into a place to visit in its own right, even as a city break for Europeans seeking weekend getaways. However, in order to maintain this momentum, Athens must not become complacent; it will have to continue its metamorphosis in order to compete with hot new vacation spots in the region, like Dubai, that were not even on most travelers' radar screens five years ago.

Promoting Greece worldwide

Ministry of Tourism and the Greek National Tourism Organization

The Greek Ministry of Tourism was established by the current administration immediately upon entering office. The country's leadership perceived an opportunity available to Greece in the area of tourism as the country prepared to host the 2004 Olympic Games. It also recognized the important role tourism plays in the Greek economy and in the overall development of Greece.

Strength through partnership

The Greek National Tourism Organization (GNTO) is the country's principal agency managing the image of Greece both at home and abroad. Operating under the auspices of the Ministry of Tourism, the GNTO encourages and promotes travel to and within Greece through its offices worldwide. In its offices and on its websites travelers find free maps, brochures, and pamphlets related to travel in Greece. Up-to-date schedules for buses, trains, and ferries are kept on hand, as well. Beyond the simple proliferation of information related to tourism in Greece, the GNTO's main goal is the organization, development, and promotion of tourism in the country. The GNTO is, in fact, Greece's main vehicle for the introduction, planning, and implementation of its tourism policy. With the support of the Ministry of Tourism, the GNTO's role as the primary international promoter of tourism in Greece has been strengthened and it has become instrumental in marketing Greece worldwide, not least of all at home. The GNTO was influential in implementing the ministry's "We stay in Greece" advertising campaign to encourage domestic tourism.

A bilateral approach

In addition to spearheading initiatives at home, the Ministry of Tourism is also focusing its attention further east. In June 2006, the ministry was the "Partner Country" of Beijing's International Tourism Expo (BITE). A concert featuring music written by renowned composer Mikis Theodorakis was held in the music hall of Beijing's Forbidden City, the music performed by a unified group of both Greek and Chinese orchestras and singers. Clearly, the Greek and Chinese governments see opportunities to assist one another in multiple areas, not only within the shipping industry.

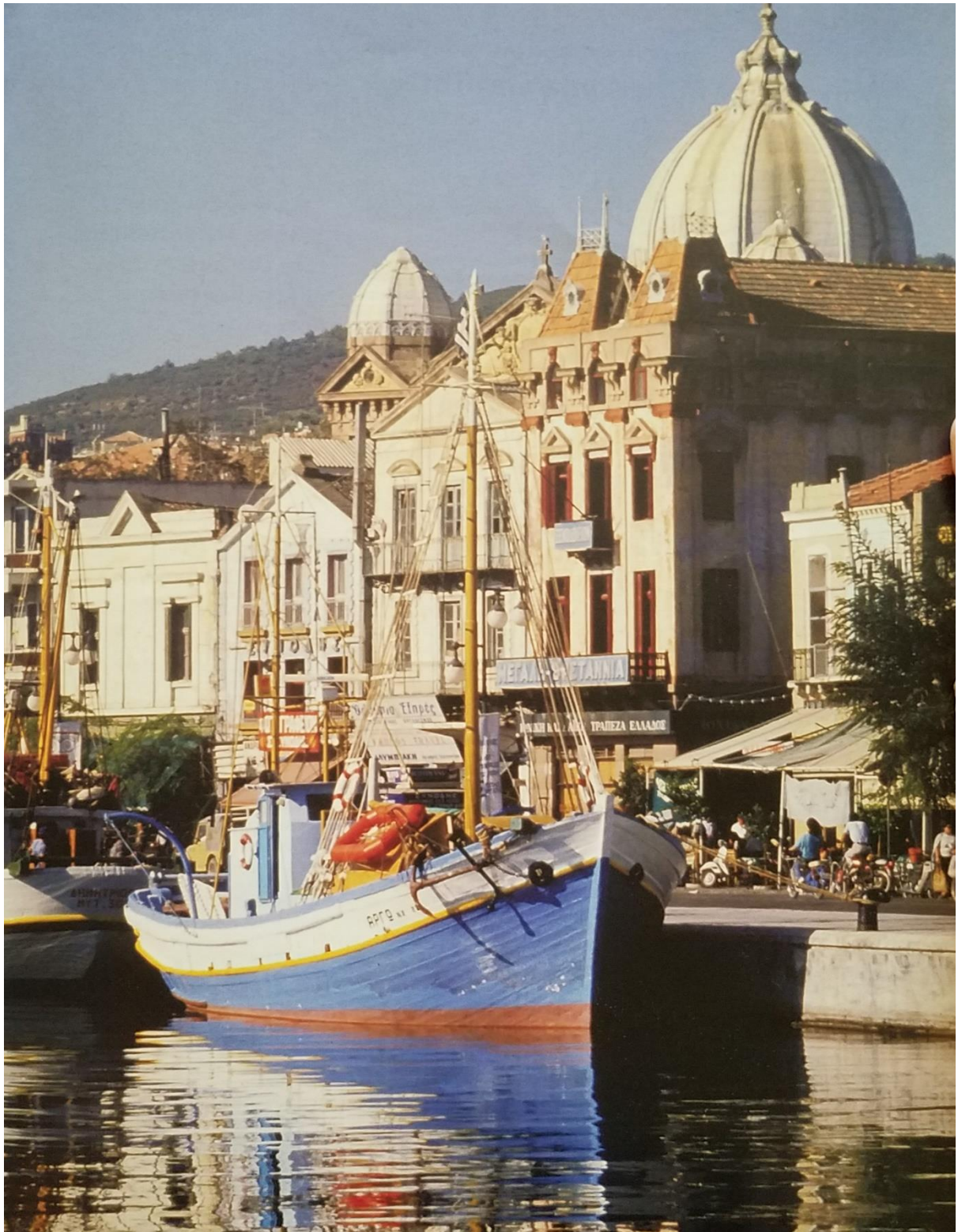


“With the support of the Ministry of Tourism, the GNTO’s role as the primary international promoter of tourism in Greece has been strengthened and it has become instrumental in marketing Greece worldwide, not least of all at home.”

Greece's tourism policies both at home and abroad are focused on developing tourism as a long-term, powerful contributor to the Greek economy. Fortunately, the ministry realizes that mistakes were made in Greece's approach to tourism in the past, and it is learning from those mistakes in order to avoid repeating them. With this in mind, the ministry's priorities involve stimulating both domestic and international investment in Greece's tourism industry while developing the country's regions according to their specific needs and offerings. There is also a push to encourage close coopera-

tion between the ministry and the private travel sector.

In order to battle the "sea and sun" classification Greece has received in the past and promote the expansive offerings of the country beyond beautiful beaches and warm summer weather, the ministry has aimed to promote year-round tourism. The types of tourism that have begun to be developed include MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism, spa tourism, agrotourism, health and recreation tourism, and sports and culture tourism.



Providing passionate leadership in the El Dorado of Northern Greece

Ministry of Macedonia and Thrace

As the ministry meant to coordinate and administer the policies of the Greek government as they apply to Northern Greece, the Ministry of Macedonia and Thrace encourages cooperation between the various prefectures in the region. The ministry's primary objective is to facilitate prosperity in the region by supporting its citizens in fully realizing and exploiting the power and access that is theirs simply as a result of their region's place in geography and history. Until recently, Northern Greece had not enjoyed the kind of investment interest that comes with international branding. Today, however, the Ministry of Macedonia and Thrace is directing international attention to the region's potential, particularly in the areas of science, education, agriculture, energy, and tourism. Changes are brewing.

Greek Leaders speaks with Georgios Kalantzis, Minister of Macedonia and Thrace

In what ways have things changed since New Democracy came to power three years ago, and where does your ministry's region fit in this development?

The first two years of this government were the years to study and stabilize the Greek economy. We had to lay the foundation for development by voting into law legislation that would promote change. Now it is time to focus on the periphery – the prime minister has declared that 80 percent of the fourth EU fund will be devoted to it. During the previous years, development had been focused on the Attica region, and rightly so, due to the Olympic Games. It is up to us to fully utilize the available funds and the new development law, which provides an opportunity for enterprises around Greece to be 66 percent funded by the State. I believe that within 5-10 years Macedonia and Thrace will be the El Dorado of the region. This part of the world has always been a multicultural and multiethnic area, and we, as Greeks, have proven that we respect every culture and ethnicity. We can all work together

towards making the region the center of Southeastern Europe.

The region of Macedonia and Thrace is in a strategic geographical position, essentially the gateway to the Balkans and all of Southeastern Europe. How are you promoting the positive aspects of the area on an international level?

We believe that Romania and Bulgaria's entry into the EU will lead to further stabilization and development of the region. As three EU countries in the Balkans, we can more effectively help our people and promote the economic development of the whole region. Our relationship with these countries becomes stronger everyday as we realize the benefits that will come from our cooperation.

On the level of infrastructure, Macedonia and Thrace have three major ports in Thessaloniki, Kavala, and Alexandroupoli. If these ports are developed to their full potential, allowing large ships to enter, and the infrastructure of the area – roads and railroad networks, for example – is developed, we can achieve a lot. All these changes can be completed within three years.

Please elaborate on the energy sector, especially as it has been impacted by the liberalization of the market.

Macedonia and Thrace are developing into the energy hub of Southeastern Europe. The natural gas pipeline that links the East with Italy passes through our area. The Bourgas-Alexandroupoli oil pipeline will also be developed here. This is a very important project since there are US corporations participating in it.

How have changes in the agricultural sector on the EU level had an effect upon your region?

Greece and its economy are able to adapt to changes. Farmers are moving into more dynamic cultivations like saffron, asparagus, and plants that produce biogas. We as a people adapt and move forward. We also protect Greek farmers through ELGA, compensating for losses incurred through natural disasters within three months.

“Macedonia and Thrace are developing into the energy hub of Southeastern Europe.”

Which aspects of the tourism industry differentiate Macedonia and Thrace from the rest of Greece?

Apart from summer tourism based on high-quality facilities and the beauty of the region, we are trying to promote religious and archaeological tourism. In Kavala, we have the Philippi archaeological site, the first place in Europe where the apostle Paul preached Christianity. We also have very important monasteries and churches that are hundreds of years old. We have the ancient capitals of Macedonia, Pella, and Philippi, along with major ancient cities like Avdira and Stagira. This is the homeland of Thucydides and Aristotle, and Thessaloniki has historically been the third greatest city in the region after Athens and Constantinople. We are combining these draws with congressional tourism and expanding the tourism period to 10 months.

What are some specific examples of tourism investments in the area?

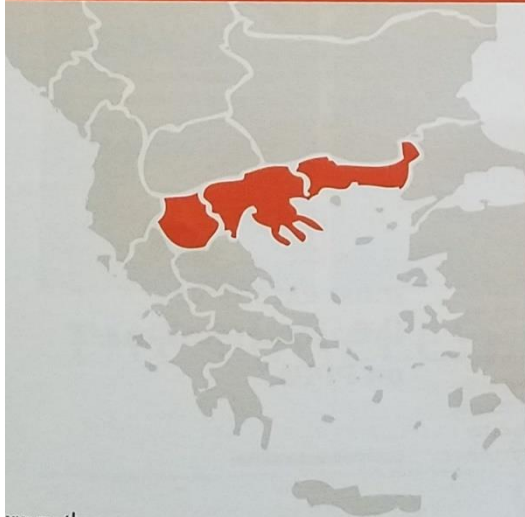
We have two new facilities in Thessaloniki and two more in Chalkidiki that have been developed thanks to the new development law and the extensive campaign for Greek tourism abroad. We have finally understood the importance of a promotional campaign and the results are really showing, both in the quality and the numbers of our tourists.

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Agriculture, culture, tourism, and a rich history make Epirus a region to watch

Epirus

Due to Epirus's mountainous terrain, cultivating extensive crops was not traditionally possible. Nevertheless, Epirus was inhabited by various great civilizations throughout history and remains the protector of important historical and archaeological sites. Among Epirus's famous edifices are the theatre of Dodoni, whose 17,000 seats give it the distinction of being one of the largest ancient theatres, and the Roman city of Nikopolis.

While most other areas of Greece underwent extensive construction in preparation for hosting the 2004 Olympic Games, Epirus did not. This turned out to be advantageous for Epirus, as the glory of its natural environment was not compromised and hence agrotourism became viable in the region.



Greek Leaders speaks with Dimitrios Panozachos, General Secretary of Epirus

Epirus is essentially the West Gate of Northern Greece. How can Epirus use this geographical advantage on a national as well as an international level?

I believe that for the next 20 years, Epirus will be the main gate, not only for Greece but for the East in general. Today, in order to get from Europe to the East, there are two options: either taking the ship from Italy to Igoumenitsa and then following the Egnatia highway or coming through the countries of former Yugoslavia. As the countries one would traverse in the second option are not yet members of the EU, travelers have to go through four different customs control points. So, for purely business reasons, the port of Igoumenitsa is presently the most convenient solution.

How does Epirus exploit the region's natural gifts?

Epirus is an area with no large productive units and perhaps it should remain that way in order to preserve its environment. Epirus's primary sector, consisting of its animal capital, sustains the largest food industries based on animal capital in Europe.

Another major sector for Epirus is that of tourism, especially agrotourism. There is no better area for rafting than on the Voidomatis and Arachthos rivers. Furthermore, Epirus is blessed with unique sites such as Arachthos Gorge and Pamvotis Lake in Ioannina, where the only municipality on a European lake island exists.

Another important sector for us is that of science. In recent years large investments have been made in the University of Ioannina, which houses a center for research and development and is in an area that attracts scientists. A technological park has already been developed in order to attract new technological businesses.

What does Epirus offer in terms of catering to the needs and interests of tourists?

Epirus offers beautiful beaches along the Ionian Sea, which have become renowned since the 1950s. There is huge interest for developing tourism units along Epirus's coastline. In the mountain villages we are funding the organization of clusters - networks of small owners - with four to five agro-settlements with 10-15 beds each, forming a larger infrastructure. We are also setting state quality standards for each area. Because Epirus is still cheaper

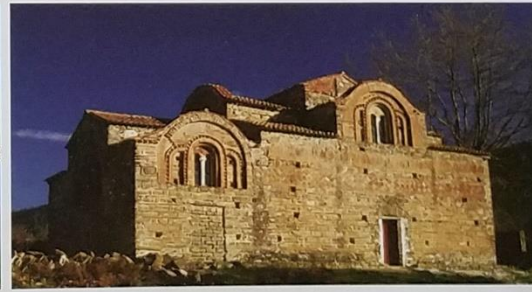
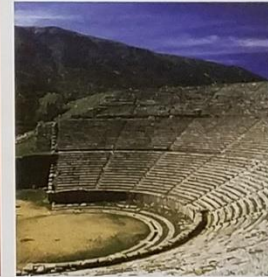
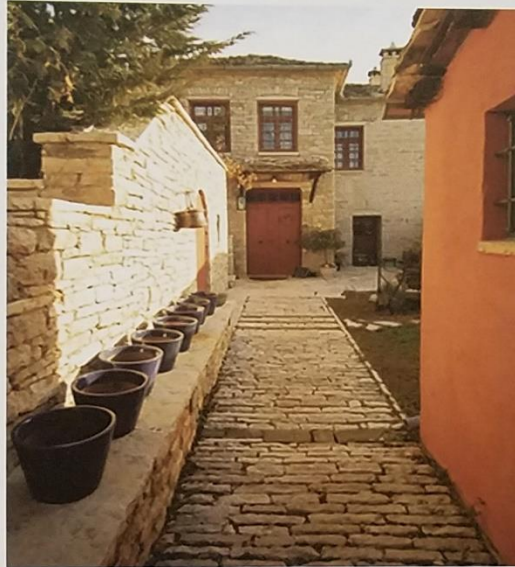
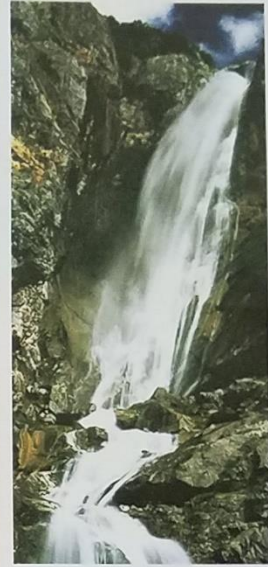
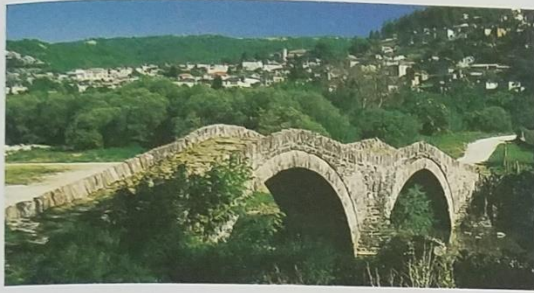
than the rest of Greece, we have attracted a number of investors and within the next two to three years we will see great developments in the winter tourism infrastructure. Our area offers great sea and beautiful mountains all year round.

One of the issues being addressed by the Theseas program in contributing to the sustainable development of each region is the introduction of Public Private Partnerships (PPPs). What role are they playing in Epirus?

Here in Epirus we have one of the most extensive infrastructures based on PPPs. The Municipalities of Epirus have been approached by businessmen who seek public and municipal land in order to develop large tourism facilities. Fortunately, we already have an excellent merchandising center. In 1996 a study was done by the state to specify places for large and convenient merchandising centers for the distribution and transfer of goods, and one of the designated areas was near the Igoumenitsa port that is connected to Egnatia and Ionian highways. This is one of the largest and most important infrastructures on its way to completion through PPPs.

“In Epirus we have one of the most extensive infrastructures based on PPPs.”

WELCOME TO EPIRUS

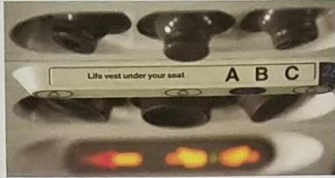


THE TIMELESS BEAUTY OF GREECE



A commitment to safety and customer service wins

Aegean Airlines



When Greeks think of an airline that they can count on to provide them high-quality customer service, they think of Aegean Airlines. Known for being safe, convenient, and reliable, eight-year-old Aegean Airlines has already established itself as an innovative leader in the domestic travel industry.

Safely delivering more people to their destinations than the competition

In 2006, Aegean Airlines was formally recognized by Athens International Airport (ATH) as having the highest passenger volume increase among its regional competitors, as well as for being the fastest-growing airline in the region. Using its 21 jet aircraft, the company transported 4,447,481 passengers in 2006, an 11 percent increase over the number of passengers its

aircraft carried in 2005 and double the 5.6 percent growth rate achieved by other airlines operating out of ATH the same year. Notably, Aegean Airlines serves 22.5 percent of all passengers traveling through ATH, an airport in which more than 60 airlines operate.

Recognizing the benefits of combining its efforts with strong partners, Aegean Airlines has joined forces with Air Greece, Cronus Airlines, Lufthansa, and TAP Portugal to provide more convenient and cost-efficient services to its customers. Also understanding how its success is firmly

rooted in its safety track record, the company invests in brand-new, state-of-the-art aircraft and control systems, while simultaneously providing its staff with continuous training.

In keeping with its commitment to safety and remaining constantly at the forefront of technological innovation, Aegean Airlines has ordered 19 AIRBUS A320/321 aircraft to be delivered by mid-2009, with an option to order an additional eight. As a result of this investment, the company will have the youngest fleet in all of the Balkans and Southeastern Europe as of 2008.

“Using its 21 jet aircraft, the company transported 4,447,481 passengers in 2006, an 11 percent increase over the number of passengers its aircraft carried in 2005 and double the 5.6 percent growth rate achieved by other airlines operating out of Athens International Airport the same year.”

Providing luxury for its customers without negatively impacting the natural environment

Grecotel S.A.

Located in prime business and holiday destinations throughout Greece, the prestigious Grecotel hotels and resorts are the epitome of Greek hospitality at its most luxurious. Although each property owned and operated by Grecotel S.A. is unique, the quality of service, sophistication of design, and degree to which Greece's culture and environment are highlighted remain consistent among all the company's properties.

Impeccable reputation and intelligent innovation

The largest hotel chain in Greece, Grecotel S.A. boasts nearly 11,000 beds in 20 four- and five-star resort hotels. Although the company caters to a wide range of customers, from families to business people, it launched a new concept in the Greek tourism market in 2005 when it opened its Eva

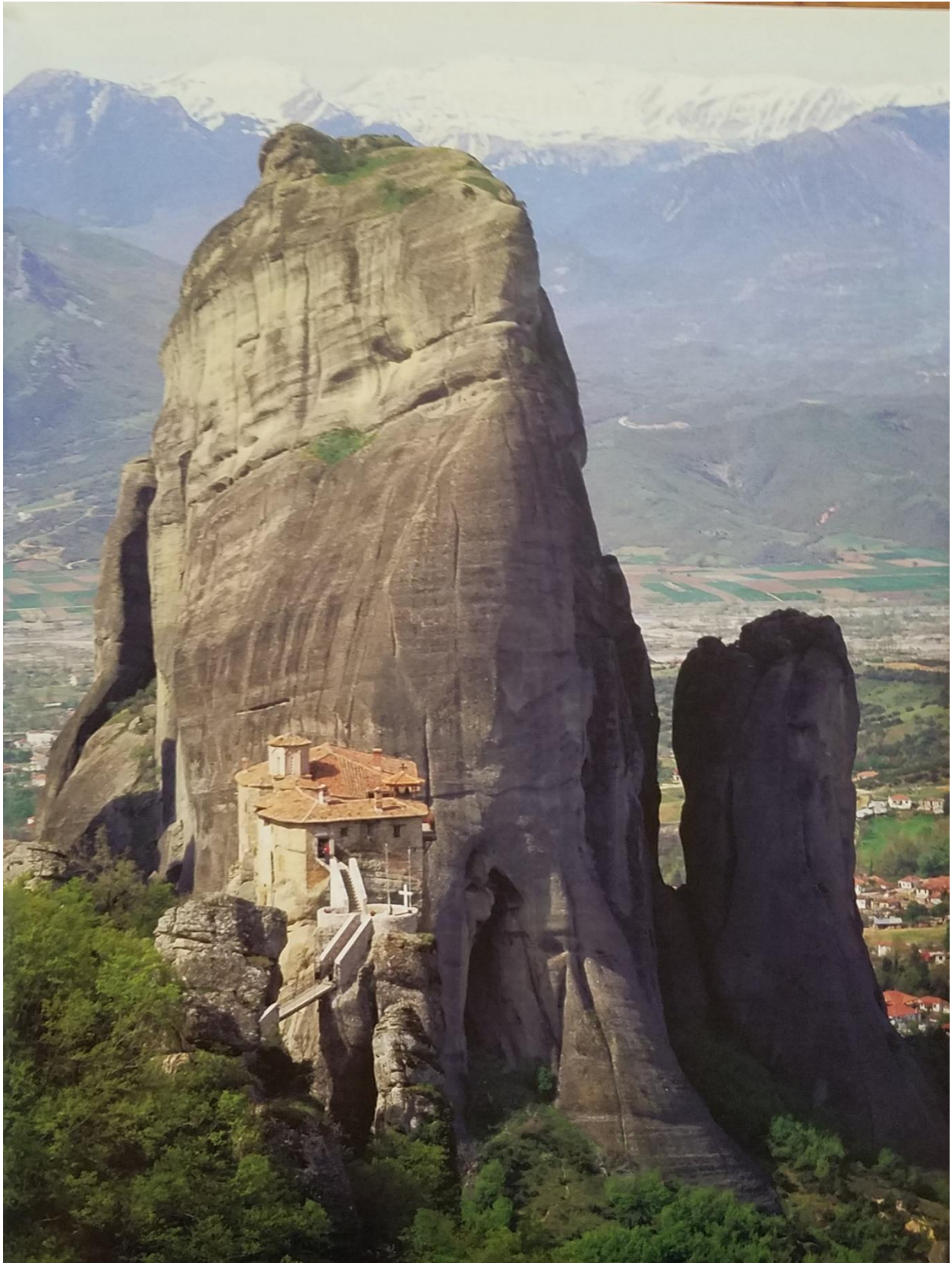


“The largest hotel chain in Greece, Grecotel S.A. boasts nearly 11,000 beds in 20 four- and five-star resort hotels.”

Palace in Corfu, its first “Couples Hotel.”

The idea behind the Couples Hotels is to provide a relaxing refuge for couples of all ages who seek a quiet, romantic environment for their holiday.

Owned jointly by the Daskalantonakis family and the German-owned multinational company TUI A.C., the management of Grecotel S.A. operates from the belief that the quality of natural resources and the way they are managed are crucial factors in determining both short-term profitability and long-term tourism development sustainability. As a result, the company was the first in Greece to create an environmental and cultural department and is now recognized as a leader in the regional hotel industry for the methods it has implemented to reduce the impact of tourism on the environment.



Hosting multinational conferences and congresses

Capsis Convention Centres and Resort Hotels



Where conferences are held sets their tone and entire context, and as more businesses and organizations recognize this they are turning to Greece, and in particular to the Capsis Company, to host their conferences.

Innovation and leadership in a country renown for both

The first hotel chain in Greece to do so, the Capsis Company began keeping its resort hotels in Crete and Rhodes operating year-round in 1996 in order to meet the growing demands of the international conference market. The Capsis Company now owns and manages two of the largest resort convention centers in Europe and a brand-new exhibition and conference center in Athens:

- 1) The Capsis Resort Crete in Heraklion, Crete is a resort hotel spread over a private peninsula. This year, the resort is undergoing a huge transformation and the majority of its bungalows are being turned into bungalow-suites, maisonnettes, and private pool-villas, bringing the total number of guest rooms to 530 and changing the whole character of the resort. Previously more of a large convention center, the property is becoming an upscale resort hotel ideal for leadership meetings, luxury incentives, and special conferences for up to 300 delegates. The hotel will re-open in May 2007 as perhaps the most exclusive and upscale resort hotel in Greece.
- 2) The Capsis Hotel Rhodes & Convention Centre "Marika Capsis 2000" in Rhodes is the largest resort convention center in Greece with 100 meeting rooms, including the largest Plenary Hall in Greece with natural daylight for up to 3,400 persons, and a total conference capacity for up to 8,000 persons.
- 3) The Athens Capsis Cultural Exhibition & Conference Centre in Maroussi is the new business center of Athens with a total capacity of 800 persons in its eight multi-

"The combination of a safe and mild-weather destination all year long with an interesting local color and character like the one Rhodes or Crete has to offer, alongside an excellent and large congress infrastructure, is not easy to find everywhere."

Irini D. Varda-Capsis, Commercial Director of Capsis Convention Centres and Resort Hotels

functional meeting rooms, private parking, and spectacular views from its rooftop garden.

The Capsis Company recently introduced the importance of global competition tourism to its competitors and partners in Greece. In October 2006, the company hosted the very successful 45th International Congress and Convention Association Congress (ICCA) and Exhibition, where a record number of delegates of the international Meetings Industry met at its property in Rhodes.

The convention industry is a viable sector of the Greek hotel industry and Greece's economy at large. Irini D. Varda-Capsis, the Capsis Company's commercial director, explains the Capsis Company and Greece's combined strengths as a convention tourism destination this way: "The combination of a safe and mild-weather destination all year long with an interesting local color and character like the one Rhodes or Crete has to offer, alongside an excellent and large congress infrastructure, is not easy to find everywhere."

Expansion and renovation, family-style

The Capsis Convention Centres and Resort Hotels are enthusiastically expanding their ability to cater to the needs of leisure travelers while continuing to enjoy significant

revenues from hosting congresses, incentives meetings, exhibitions and conventions. According to Varda-Capsis, "By the end of December 2006 Greece was up 10 per cent from 2005."

Greece's tourism industry has, in fact, changed drastically since 1968, when pioneers Marika and Thanos Capsis began constructing hotels in destinations where tourism was not yet developed in Greece, incorporating meeting rooms and designing their facilities to support growing international business needs. Their vision remains unbroken by the present owner and managing director of the company, Dia Capsis, whose foresight has led the company's evolution the past 20 years.

Although Capsis Convention Centres and Resort Hotels has been family-operated for four generations and is therefore able to offer its clients a special personal touch, it is constantly developing, updating, and renovating its product in order to meet the changing needs of the marketplace. This year's thorough renovation of its hotel in Crete is the latest and largest in a series of innovative projects, and the Capsis Company's planned extensive renovation of the hotel on Rhodes will help the Capsis Company keep its edge in Greece's emerging luxury tourism and convention industry.

Keeping ahead of the trends in tourism

Kipriotis Hotels



Over the course of the last four decades, Greece's tourism industry has become a vital economic sector and now occupies a dominant position in the Greek economy. Witnessing the changes in Greek tourism, keeping an eye on the trends, and developing products and services to meet the changing needs of international travelers is Kipriotis Hotels.

The hard work and faith Kipriotis Hotels has sustained is paying off. As political, social, and economic shifts globally have caused the groups of people able and interested in traveling for business and leisure purposes to alter, Kipriotis Hotels has developed multiple types of tourist facilities and activities. Its hotels are now known not only as superior hotels for leisure travel but are also becoming well-known for their ability to successfully host international conventions and conferences.

Greek Leaders speaks with Konstantinos Kipriotis, CEO and Managing Director of Kipriotis Hotels

What best describes the character of Kipriotis Hotels?

Kipriotis Hotels focus on meeting the needs of leisure travelers as well as the need for meetings, incentives, conferences and events. The common denominator of our efforts for all our guests is to provide the true sense of hospitality, value for money, and high standards of service.

How have you shaped your marketing strategy in order to cope with a diverse and highly fragmented European market?

The number one objective of our marketing strategy is to retain high awareness of the Kipriotis brand name and position it on top of the list in the minds of conference decision makers and leisure travelers. In order to strengthen our brand name even further, we have developed strategic alliances with major tourism organizations, and tour operators in the European market, allowing for long-term synergies and collaboration.

Has joining forces with Spanish chain Iberoostar in managing selected properties assisted Kipriotis Hotels in obtaining high occupancy rates and increased profitability?

All our strategic partners are strong brand names on the international scene. Through our collaboration we have been given the opportunity to build and enhance our brand's awareness as well as to penetrate new markets that can produce the volume which is required in order to make our operations viable and profitable for years to come.

How has the Kipriotis Hotels brand developed as Greece's tourism industry has changed over the years?

Greek tourism – like global tourism – has witnessed significant changes not only in volume but in the demographic characteristics of its tourists.

As Greece is again topping the list not only as a leisure destination but also grad-

ually as an international destination for conventions and conferences, our brand, "Kipriotis Hotels," has developed its own infrastructure in order to meet the needs of this particular and extremely important market.

In 2000, the "Kos International Convention Centre" (KICC) was introduced and has since been leading the Greek conference market, offering the latest in meeting technology. With 33 meeting rooms supporting a 5,500-person total capacity, including the main auditorium with 2,300 seats, and 3,000 square meters of exhibition space, the KICC is one of the biggest, most elegant, and functional convention centers in Greece. High standard materials, modern ideas, and excellent space design were adopted and applied in order to create an environment offering unique comfort, prestige, and splendour, as well as state-of-the-art technical equipment and facilities.

Additionally, the shift from the traditional bed-and-breakfast or half-board type of vacation to the all-inclusive market and its relevant activities led us to redesign and expand our hotel facilities, pioneering in meeting the needs of this new trend in the leisure market. What we foresee next in the ever-changing tourism industry is a growing demand again for a "new type" of holiday focusing on self-standing summer cottages or "villas." This could be our next ambitious target and investment milestone in the near future.

"The common denominator of our efforts for all our guests is to provide the true sense of hospitality, value for money, and high standards of service."



Rolling out the red carpet

Astir Palace, Divanis Hotels, and The Grande Bretagne

Greece's tourism industry has been experiencing an upgrade since 2000. In the past seven years, there has been an explosion in competition in the luxury hotel market. Among the many players making their mark on the scene, there are some pioneers in the arena that are making considerable investments in their efforts to retain their leading positions.

Astir Palace

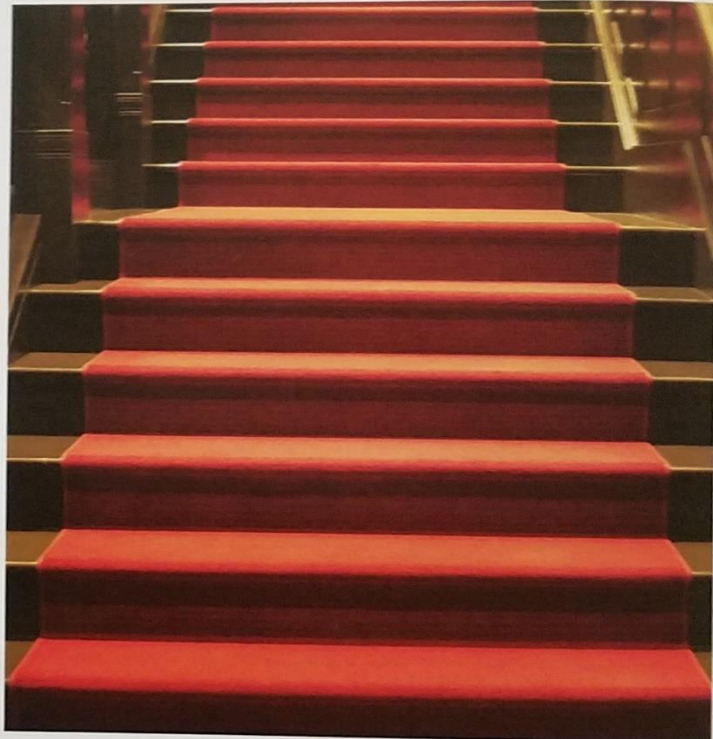
The world-renowned Astir Palace consists of three five-star hotels combining to create a unique luxury resort complex on the Athenian Riviera. The Arion Resort and Spa, the Westin Athens (previously known as the Nafsika Hotel), and The Aphrodite (due to re-open after an extensive renovation as the W Athens in 2008) sit side-by-side along 75 acres of private peninsula and boast breathtaking views of the Saronic Gulf. In July 2006, Starwood Hotels and Resorts took over management of the Arion Hotel and the Nafsika Hotel. The resort complex is owned by Astir Palace Vouliagmeni S.A., a subsidiary of the National Bank of Greece S.A. Group that has been listed on the Athens Stock Exchange (ASE) since 2000.

Divanis Hotels

The Divanis chain of six luxury hotels extends from Athens north to Corfu, Meteora, Trikala, and an unexpected location for finding deluxe accommodations, Larissa. The Divanis Caravel is the company's largest and best-known hotel. Situated in central Athens, the Divanis Caravel caters both to leisure travelers seeking comfort and relaxation and to business travelers needing ample space and a staff experienced in meeting the needs of guests attending conferences and other events.

The Grande Bretagne

The epitome of luxurious living in Greece for over a century, The Grande Bretagne reopened in 2003 after an extensive, 82-million-Euro renovation and never missed a beat. Located on prime central Athens property facing Syntagma Square, the hotel offers high-end travelers both deluxe accommodations and the enchantment of a romantic history. Quite a coup for the Starwood Hotels and Resorts' Luxury Collection, The Grande Bretagne is somewhat of an institution in and of itself, central to countless social, political, and economic events in Greece.



“In the past seven years, there has been an explosion in competition in the luxury hotel market.”

Bringing international tourism consulting to Greece

International Management Group (IMG) Greece

Using her Greek upbringing, US-based education, and international work experience in both the tourism and financial sectors to support Greece's growth and development, Xenia Vassiliadis, representative of IMG Greece, is committed to the country's future success. That is why she chose to represent IMG – one of the world's longest-established, most diversified sports, entertainment, and media companies – in Greece. Established in 1960, IMG is a global collaborative organization maintaining an international staff of more than 2600 employees in over 60 offices in 30 countries. It is widely recognized as the leading and most innovative company in the sports, lifestyle, and entertainment marketing industry, representing 1000 personalities, managing more than 500 events globally, and producing and distributing over 11,000 hours of TV content to 220 countries. IMG provides localized expertise and personalized services while remaining committed to business-building solutions.



Greek Leaders speaks with Xenia Vassiliadis, Representative of IMG Greece

How did you get started working with IMG here in Greece?

I was anxious to see the Greeks utilize the post-Olympic effect. I saw the investment potential for Greece and how Greece needed serious changes in its concepts concerning travel, tourism, promotion, and events. IMG is a leader in all of these areas and I wanted the best for my country. I initially started consulting with IMG because I felt that the company's overall strengths and strategic planning would be an asset to Greece's future development. One of the strengths of IMG is that by using their extensive know-how they are able to determine their client's needs, enabling them to identify the appropriate strategy for maximum results.

Do you think Greece is ready to work

with a company like IMG to start promoting what it has to offer?

Absolutely. I believe the Greek government is definitely moving toward that end. The current administration is supporting its Ministry of Tourism, and tourism revenues are a major component of Greece's growth. This is a key factor and a step in the right direction for this country.

What is IMG's strategy for Greece?

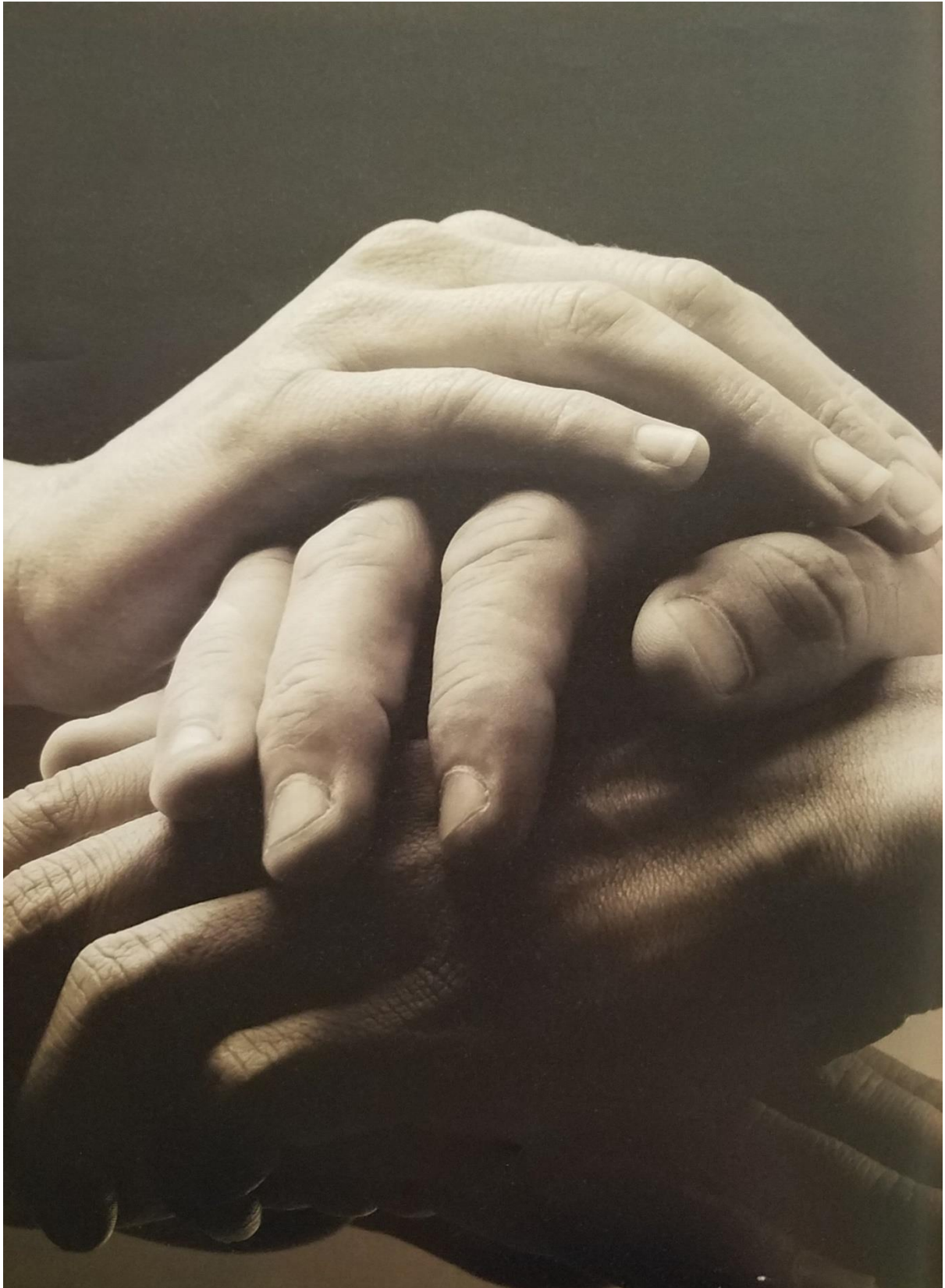
Currently we're looking at a variety of projects. One area in particular is capitalizing on the golf tourism sector. Golf is a \$60 billion industry with 30,730 courses worldwide and 57 million golfers. Greece has the ideal climate and landscape for creating exceptional golf courses, which should attract visitors from all over the world, thus generating revenue for the country. Additionally, we're conducting initial research regarding municipality marketing in order to identify the challenges and opportunities. Once that is finalized, we'll be able

“I like working with others to show how through specific investments and initiatives a whole country can move forward, grow together, and be proud.”

to assist the City of Athens in designing a strategy to enable community action in a practical and cost-effective manner in order to advance tourism and to gain economically and socially from this focus.

What drives you to work in the still-emerging tourism and finance sectors of Greece when you could be working anywhere in the world?

It's committing to a country, that country's future success, and the success of its people. That's the most important thing. I like working with others to show how through specific investments and initiatives a whole country can move forward, grow together, and be proud. It's the beauty of this creation that brought me back to Greece, especially in an area that brings happiness to most people. If it works, generations will taste the fruits of our labors. I want to be a part of the evolution of this country from here on out. I believe in it. The country's success is not up to me, but I am giving it all I can.



Associations

Business leaders band together for mutual benefit



Association of Chief Executive Officers



The Association of Chief Executive Officers (ACEO, or EASE by the Greek acronym) boasts some of the most powerful, influential and professional CEOs in Greece as its members, CEOs who are dedicated to continually improving their skills, expanding their knowledge and incorporating in their firms the new trends in international management, thus benefiting Greek economy as a whole. Using this powerful member base as its foundation, the ACEO has built a strong relationship with government officials and other organizations, often acting as advisor and participating in dialogues and discussions regarding Greece's competitiveness, the National Social Security system, and reformation of the taxation system.

Two decades of strong presence

The ACEO has a membership of more than 500, whose companies employ approximately 200,000 people and have turnovers exceeding 23 billion Euros. All the ACEO's members are university graduates, nearly 70 percent have postgraduate degrees, and more than half of them earned their degrees abroad (primarily in the US or UK). Additionally, almost 10 percent of them are women, an enormous increase compared to the first five years of the ACEO, when less than two percent of its members were women.

The ACEO collaborates with other European organizations such as the

European Confederation of Executives and Managerial Staff, and hosts annual leadership conferences to keep members aware of international trends. The ACEO also arranges a number of other informative events, seminars, workshops, and small group discussions. It carries out research studies in partnership with experts and research institutes and even publishes the results of some of these studies, distributing them free of charge to ACEO members, institutions, and various public and private bodies. Furthermore, the ACEO participates in the National Council of Competitiveness, as well as in Governmental Committees, including the National E-Business Forum and the Committee for the Support of New Entrepreneurs.

Greek Leaders speaks with Michael Pagidas, Chairman of the Association of Chief Executive Officers

How do you think Greece will be able to compete in the international environment when there is still a need for national business consolidation and further modernization?

Industries that provide great interest in Greece are navigation, tourism, energy, education, and health. The basic competitive advantages are the capabilities of Greek employees and managers and the country's geopolitical location. The geographical position of the country presents a great advantage, as Greece can become a business center for the Balkan countries and the countries of Eastern Europe, the Middle East, and Africa. The construction of the Bourgas-Alexandroupolis pipeline bringing natural gas from Russia to Europe will further improve the existing advantages.

Do you believe that when a foreign com-

pany enters the Greek market, there is a need to find a Greek CEO and management team to run the business?

My answer is definitely yes, with one condition: that this person would be trained in the foreign company's environment, in headquarters or in a subsidiary, to ensure that he or she fully understands the company – the product or services, marketing strategies, culture, and other aspects of the company. Alternatively, the company can start with an experienced manager and train the Greek CEO locally. The Greek CEO has an advantage in that he knows the local market and corresponding conditions better.

How do Greek employees fit into foreign companies' corporate culture?

Greeks in general have a great ability to adapt themselves to any environment. That can be seen in the success of Greek people working abroad, in the speed by which they undertake high-level responsibilities in foreign companies operating in our country, and in the fact that many Greek managers working in foreign companies located in Greece have been promoted to the highest positions of their company.

Why should potential investors look at Greece as an investment opportunity?

I have talked about the business and the management aspects, and have also touched on subjects like government issues and competitive advantages and disadvantages. I have not, however, stressed the main characteristics of the Greek people enough. Greeks have intelligence, inventiveness, a willingness to provide results, and a commitment to achieve objectives. Above all, the way Greek people see foreigners is a benefit to foreign investors and to foreign businesspeople operating in Greece. Since ancient times, a foreigner in Greece has been wholeheartedly welcomed. Foreigners in Greece are viewed in the friendliest manner and foreign companies are more than welcome. Add to this the wonderful Greek climate, the beautiful scenery, the open society, and the business opportunities and I would say that Greece might prove an ideal place for investors.

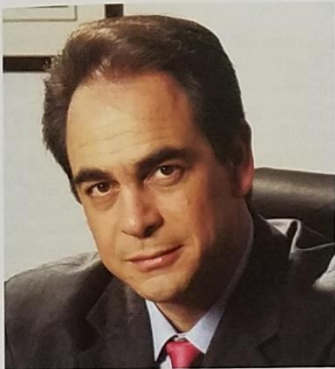
“The basic competitive advantages are the capabilities of Greek employees and managers and the country's geopolitical location.”

Michael Pagidas, Chairman of the Association of Chief Executive Officers

Leading Greek business into the global market

Athens Chamber of Commerce and Industry

Established in 1841, the Athens Chamber of Commerce and Industry (ACCI) has advised both the Greek government and businesses on a broad range of issues relating to Greece's economic development and progress for almost as long as the modern Greek State has existed. With former general secretary of the Ministry of Finance Constantine Michalos at the helm, the ACCI is leading Greek business into the competitive global market by encouraging modernization and simplification of the systems that determine the viability of Greek business both domestically and abroad.



Greek Leaders speaks with Constantine Michalos, President of the Athens Chamber of Commerce and Industry

What is the specific role that the Athens Chamber of Commerce and Industry (ACCI) plays in the Greek business environment?

The ACCI is the advisor of the government in matters concerning the development and the economy. We are approximately 80,000 member companies which represent 50 percent of the country's production capacity. Over the last two-and-a-half years, our interventions have met with great success and above all, the most notable, was the reduction of business tax rates from 35 percent to 25 percent in the year 2006.

Of the ACCI's 80,000 members, what percentage is comprised of SMEs?

Around 95 percent. The ACCI offers free legal and financial advice to all its members, and we provide help with anything that has to do with taxation or simplification procedures. Trade missions are also very important for the companies

“I think that the fresh and new business sector that is emerging in Greece is very high-standard and the mentality at last is the correct one.”

Constantine Michalos, President of the Athens Chamber of Commerce and Industry

that are export-oriented. We are working closely with the Ministry of Foreign Affairs and Mr. Stylianides, who is the minister in charge, and last year we had notable success. For example, in Russia, in the first six months following the visit of the prime minister and two very well-prepared trade missions that came immediately after that, there was a 38 percent increase in Greek imports.

Do you believe there is an opportunity for Greek companies to improve the image of Greece abroad?

Greek companies have this opportunity and ability, but the image of Greece abroad had been damaged for a long period. Certain Greek businessmen, selling abroad, saw their products as an extension of their own character as opposed to an extension of the national economy. I think that the fresh and new business sector that is emerging in Greece is of a very high-standard and the mentality is at last the one required by today's strict and demanding conditions of our globalized business environment.

What do you think are Athens's main

competitive advantages?

The financing sector is developing and in the next year or two will become even stronger. We have a good administration running the Athens Stock Exchange (ASE) and the authorities that relate to the financing sector. We are noticing that a shift from industry to the service and tourism sectors is occurring. This is quite encouraging because I think there is a lot of room for expansion and this country is blessed with everything needed to fuel these sectors. We could sustain full-year tourism combining all the beauties of this country with congress tourism, a sector that is slowly but steadily expanding. Shipping is also a traditionally good business to be involved in and it is slowly returning to Greece.

Athens offers an excellent base for all the Balkan countries which are slowly entering the EU, as well as for certain Middle Eastern countries. Geographically we are in a very good position, so much so that even the Chinese have decided to set up a port here for their exports. We are the entry point to the EU at its most southern end, surrounded by sea, providing an ideal base for transport companies.

Association of Greek Institutional Investors

A non-profit organization representing the Greek investment fund and asset management industry, the Association of Greek Institutional Investors (A.G.I.I.) has been promoting professional investment management in Greece and protecting its members' interests for more than 20 years thus far. As Greek investment trust companies and mutual fund management companies find their products and services increasingly in demand by international institutional investors, those which are members of the A.G.I.I. receive the association's assistance in carefully and effectively promoting and developing their activities both domestically and abroad.

Greek Leaders speaks with George Papoutsis, General Manager of the Association of Greek Institutional Investors

How have the changes that have occurred in the Greek financial market during the past two decades impacted the focus of your organizational activities?

In the past 20 years the changes in the financial market in Greece have totally restructured the way our market operates in all areas – in the stock exchange, brokerage firms, collective investments, and the banking sector as a whole. This is, of course, linked to the fact that Greece, as a full member of the EU, has a duty to implement all European legislation. We have therefore implemented all EU Directives stemming from the FSAP (Financial Services Action Plan) and are continuing to do so at a rapid pace. Our legal framework is in line with that of all other EU members.

How does A.G.I.I. contribute to creating investor confidence in Greek mutual funds?

The mutual fund markets in Europe and in Greece in particular are extremely well-regulated markets and arguably the most efficient and secure way for average investors to be a part of the stock market. A.G.I.I. is constantly informing investors of developments in our member companies' products and services through our website as well as with informational leaflets that are available in bank branches, insurance advisor

“The aggregate share ownership of ASE is made up of 64 percent Greek investors and 36 percent foreign investors, which shows the attractiveness of the Greek market to the investment world.”

offices, and other financial advisor offices. We also have an extensive fund database on our website which is updated daily to show the progress of all Greek funds and which is freely available to all.

How has Greece's financial market development impacted the mutual fund and investment trust markets?

One cannot adequately characterize financial markets in 2007 without noting the staggering upsurge in private equity investments. Private equity has soared over the past five years and accounted for \$135 billion in 2005. Moreover, the European share of private equity investments in 2005 reached 43 percent from its 17 percent value five years earlier, indicating a growing taste for private equity investment on this side of the Atlantic.

To what extent is this continental increase evident in the Greek financial market, and how have the operations of Greek trusts and funds shifted as a result?

No severe impact has taken place either on the Greek stock market or on the investment trust and mutual fund markets due to the absence of Greek-based vehicles. The participation of foreign-based private equity vehicles was limited. We have only observed three cases of listed companies that were taken over by private equity companies.

On the other hand, a few new private equity firms have been established that mainly target small- and medium-size companies based in the Balkan region, mainly in Romania, Bulgaria, and Ukraine.

As global financial markets become increasingly consolidated, how important is it for Greek institutional investors to take an active role in the development of

international investment?

Greece has a central role in the Southeastern European region, and our financial market place has close links with the other financial markets of our wider region and the European market place as a whole. We have also participated in talks with our Asian associates, like the Greek Chinese Business Forum.

What are the implications of the integration of European securities markets for international institutional investors?

The aggregate share ownership of ASE is made up of 64 percent Greek investors and 36 percent foreign investors, which shows the attractiveness of the Greek market to the investment world. As the European financial market increasingly integrates and has common legislative framework it becomes increasingly important for institutional investors to be active in all markets. International institutional investors have an opportunity to create products and gain exposure across all geographical regions and asset classes, sharing information, services, and analysis in a transparent and non-differentiated way.

To what do you attribute the large international interest for Greek securities, and how does A.G.I.I. seek to increase attractiveness of its member funds and trusts for international investors?

Our legislative framework, both for collective investment and for listed firms, is consistent with that of all major market places. The fundamentals of the Greek market are improving, and the ASE has reached a level of maturity. The Greek mutual funds and closed-ended funds can be good investment vehicles that provide exposure to the market for either other institutional investors or clients of mutual fund platforms.

British Hellenic Chamber of Commerce

Representing its members' interests in both Greece and the United Kingdom, the British Hellenic Chamber of Commerce (BHCC) has been actively promoting bilateral Greek-British trade while providing business and investment services for its members since 1945. Operating as an independent, non-profit organization funded solely by members' fees and funds generated by chamber-organized events, the BHCC, with its excellent network of contacts, is the place for those interested in expanding their business activities in European markets at large.

An array of beneficial activities

With approximately 12,000 visitors to the BHCC website monthly, just being listed on the website itself is enough incentive for many businesses to consider membership. In addition to the website, there are the many other member benefits, including an annual member-to-member directory, member-to-member discounts, and referral services. According to Harilaos Goritsas, President of the BHCC, "The Chamber has facilitated British businesses to adapt in the Greek environment promoting contacts and business opportunities. For Greek companies, British contacts and opportunities of cooperation have been made available."

One of the areas in which Greek – British relations are strong and gaining even more ground is in the shipping industry. Says Goritsas, "The Greek shipping community flourishes in London because the frame in which they work is economically liberal. Liberal economies and free markets promote business. The Chamber just facilitates the promotion of business opportunities."

One of the numerous ways the BHCC facilitates the promotion of business opportunities is through offering its facilities, with a capacity of up to 25 persons, for hire to its members. The chamber's office is on Vassilisis Sofias Avenue, just steps away from the Parliament building

"The BHCC, with its excellent network of contacts, is the place for those interested in expanding their business activities in European markets at large."

in the heart of Athens.

Having room to conduct business transactions is important. Goritsas observes, "Greece is a liberal, open society where business deals and opportunities abound. Not only British companies but also other European and American companies use Greek companies as the vehicle to enter Southeast European markets. Today the greatest opportunities for ventures are Romania and Bulgaria, and hopefully Serbia will be interesting in due time."

Membership representing every sector

The 434 members of the BHCC fall into 513 different categories of business, from Accountants to Earth-moving equipment / machinery, Journalists to Packaging, and Tea to Yogurts. These members represent the great majority of businesses in Greece and the UK engaged in furthering

business and economic relations between Greece, the UK, and the Balkans. Among these 434 members are 55 sustaining members, larger corporations that contribute significantly to the BHCC through offering their expertise in a number of ways.

Goritsas points out that the BHCC also works closely with government officials, the Greek foreign office, the Ministry of Economy and Finance, the Ministry of Development, the various municipalities, and the British Embassy commercial department. He notes, however, that he is not worried about encouraging policy changes or governmental strategies to increase investments: "The global free market will take care of bilateral relations either increasing or decreasing economic cooperation, more than strategies, policies, and less bureaucracy will do."