Education

Sector Overview:

Statistics suggest Greece's education system is working for students. Of those in the primary school age range, 99 percent are enrolled and participating; likewise, 97 percent of all potential secondary school students are actively attending school, and 74 percent of those eligible to attend university or vocational training are doing so.

Education for the masses

Public education at all levels in Greece is provided free of charge to all residents of the country; there are even schools specifically designed to address the varying needs of immigrants. The only tertiary institution currently in operation that charges tuition fees is the Greek Open University, which offers postgraduate and postsecondary vocational programs. At the pre-school, primary, and secondary education levels there are a restricted number of fee-collecting schools, as well as a handful of private foreign schools whose instruction follows a foreign curriculum and which operate under the provisions of the Foreign Schools Act.

The future of Greece

With half a million students engaged in higher learning counting on it to provide them with a comprehensive education that will give them the foundation to compete both domestically and abroad, the Ministry of Education has one of the largest client bases in all of Greece. It is not surprising, then, that it seems to constantly struggle to meet everyone's various interests and needs. In fact, protests and rallies for educational reform are very nearly as regular an occurrence in Greece as coffee dates.

Putting the pressure on

As a traditionally socialist country, Greece is only now looking to see where private universities can fit into its educational system. The current administration has found introducing private universities into the educational system to be a challenge, despite the fact that doing so would inherently make the sector more competitive. In early 2007, tens of thousands of university students, labor unions, left-wing parties, and teachers' unions united to protest a bill that they felt would undermine public higher education and make higher education prohibitively expensive for poor families. Nevertheless, in March 2007 the government's parliamentary majority approved a controversial bill amending the constitution to allow private universities to operate in Greece and to require tighter academic and fiscal management of public universities.

Lifelong learning becoming incorporated into Greek life

Ministry of National Education and Religious Affairs

'Money is invested, so meaningful improvements can be made.'

It is not news that education is theoretically and philosophically important to the Greeks. Education has been one of the keystones of Greek life and philosophy for millennia, and the financial and professional success of Greeks throughout the diaspora testifies to the impact prioritizing education has had on their success. What is news is that the Ministry of National Education and Religious Affairs is taking great steps to reignite the flame in Greeks for achieving their educational and professional goals while pursuing lifelong learning.

As far as the current administration of the Ministry of National Education and Religious Affairs is concerned, providing knowledge has a dual aim: to form integrated personalities and to help the acquisition of skills and qualifications. Therefore, the Ministry of National Education and Religious Affairs must invest money in education. This is not rhetoric: the money is actually being invested in education now, and has been being invested in education the past two years. Already, results are showing.

New evaluation system implemented

An evaluation system has been established to evaluate the work of everyone involved in Greek education, from the students to the teachers to the administrators. This evaluation system provides an insightful overview of what is happening in Greek education and makes it possible for the Ministry of National Education and Religious Affairs to see where the country's educational system's weaknesses are. After determining which areas are weak, the Ministry of National Education and Religious Affairs proceeds to invest in strengthening those areas, as opposed to punishing the people responsible for "failing." Money is invested, so meaningful improvements can be made. While there have been various reactions to the reforms proposed by the Ministry of National Education and Religious Affairs, most educators at the university level have welcomed them, along with the accompanying funds to make them a reality. They recognize that the evaluation system is instrumental in promoting growth, and have seen proof that the proposed reforms following the evaluation do not cause a reduction in funds, but, if anything, bring about an increase in funding.

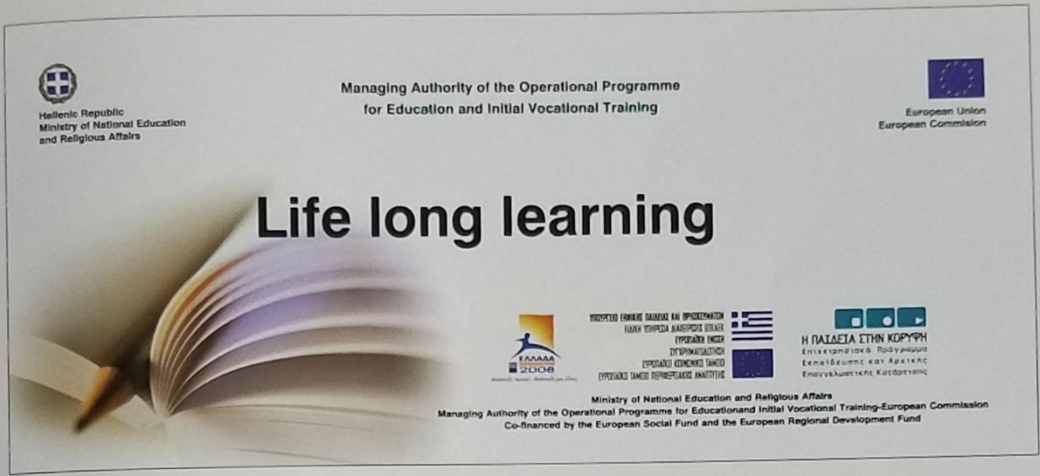
Lifelong learning programs given new life

One of the main concepts of the current administration is to stimulate changes in Greek society that will rid it of stagnation. In keeping with this approach to governing, the Ministry of National Education and Religious Affairs is making one of its priorities to focus on lifelong learning. By registering and coordinating all the schemes for lifelong learning in Greece, there has already begun to be a reduction in the wasteful overlapping of funds, other resources, and programs. This inefficiency originated as a result of fragmented legislation which only addressed the needs of certain segments of society, primarily through vocational training.

The Ministry of National Education and Religious Affairs has been cleverly gleaning effective practices used internationally and adapting them to Greece's educational system and needs, its goal to cause Greece's educational system at every level to be on par with the rest of the European Union (EU). This approach seems to be working. According to a report by the European Commission, in March 2004 only 0.05 percent of the Greek population was engaged in lifelong learning; by May 2006, that percentage had increased to four percent, an eight-fold increase in only two years. While this increase in participation is significant, the Ministry of National Education and Religious Affairs aims to have 10 percent of the population engaged in lifelong learning by 2010. In an effort to support this objective, a National System on Lifelong Learning is being established.

Students' skills and labor market's needs linked

There is also a movement to link Greek students' educational needs with Greece's labor needs. Efforts are being made to



devise an effective and efficient system of linking education with employment. In order to disseminate relevant information the Ministry of National Education and Religious Affairs is using the Internet, newspapers, congresses, and events to get the message to young people that, as Mr. Dimitrios Skiadas, Special Secretary for the Management of Community Support Framework Programmes, has stated, "the system is there for you."
In one endeavor to support the entrepreneurial spirit, the Ministry of National Education and Religious Affairs has established "One Stop" shops. These offices are intended to assist young people with starting their own businesses and finding their way through the bureaucratic maze that still exists to some extent in Greece.

"The aim is to make Greece the hub of international higher education, beginning with establishing Greece as the center of international higher education in the Balkans."

Economic and social partners welcomed

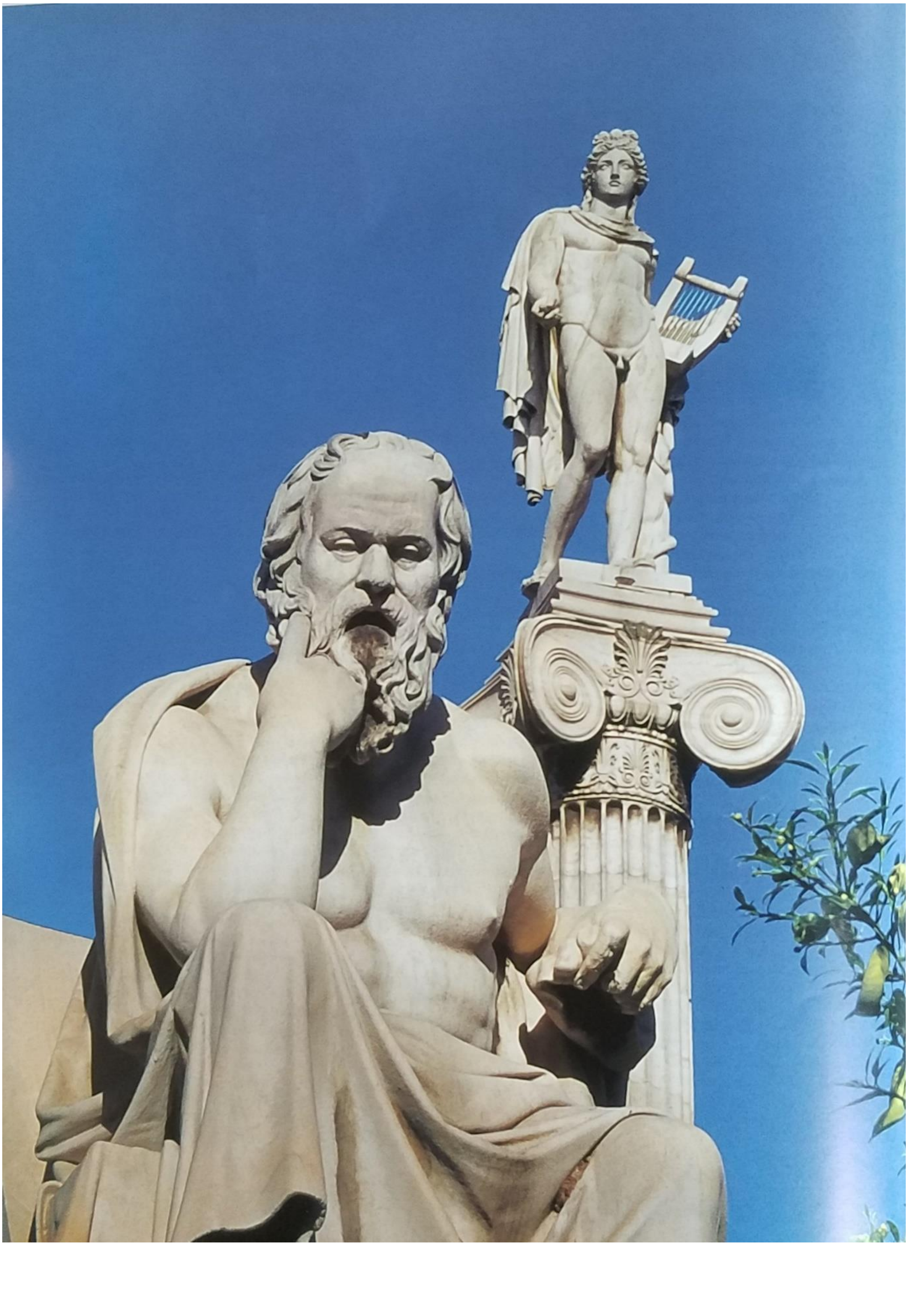
As those within the educational system strive to link students' skills with labor market needs, social partners are being welcomed with increasing interest. It is no secret that Greek legislation has been moving in the direction of making the privatization process simple and efficient, and as a result potential social partners are taking a look at Greece's formal education system and matching their needs with the knowledge and skills provided. Ultimately, the aim is to bring together, in thought and in action, the social partners and the education community.

Research and innovation take a front seat

A comprehensive framework for research and innovation was submitted to Parliament in 2006 and, when instituted, will allow companies to work with the research centers of the state and its universities. This will be a huge move, making the process for creating partnerships in research and innovation much more accessible, and the relevant investments more productive for all those concerned.

Strides made to render Greece the hub of higher education in the region

Ultimately, the Ministry of National Education and Religious Affairs aims to make Greece the hub of international higher education, beginning with establishing Greece as the center of international higher education in the Balkans. One of the first steps in making this goal a reality will be the International University of Thessaloniki offering its first degree, an executive MBA, by September 2007. With a complete budget already in place, the funds secured, and the administrative aspects of the International University of Thessaloniki in motion, it seems likely that the University's target to have a formal MBA program in progress by fall 2008 will indeed be met.
All curricula at the International University of Thessaloniki will be offered in English initially, but other languages of instruction will be added if necessary. Well-known professors, at both the national and international levels, will contribute to the workings of this institution, taking into account the needs both of their potential students and of the international labor market.
The induction of the International University of Thessaloniki is a giant step in moving Greece into the position to lead higher education in the Balkan region initially and, as it expands, to source Greece as a leader in higher education, full-stop. With personal and financial investments increasing as Greece's economy flourishes and as salaries reflect this growth, it is clear that all types of investments in Greece will pay off. As Skiadas says, "Greece won't disappoint you."



ALBA Graduate Business School

Operating with a vision to become one of Europe's leading research-driven business schools, ALBA Graduate Business School has been making waves since the first whispers of its existence were heard. Challenging aspects of the Greek educational system that serve neither Greece nor the business world at large, while seeking to enlarge the metaphorical pie rather than take a piece of it, ALBA Graduate Business School is an exception in the world of Greek higher education.

Greek Leaders speaks with Nikolaos G. Travlos, Dean of ALBA Graduate Business School

What was the impetus for establishing ALBA Graduate Business School in 1993?
The school was established as a result of an initiative undertaken by the Greek business community, represented by the Federation of Greek Industries and the Hellenic Management Association. The founders realized that Greece needed a graduate business school because the country didn't have any. So, the business leaders realized that at the moment that the country was entering the European Union (EU) there was a great need for top management executives who would not only have academic knowledge but also be familiar with the Greek economy and management environment.

The ALBA Graduate Business School model is unique in Greece. How was the school's design developed?
The school was designed to be a not-for-profit institution, to develop strong links with the Greek industry, and to be a catalyst for change in Greek society. The founders understood that in order to be a research-driven school, ALBA should be able to attract funds from the private sector in the form of donations, and that could be done only if ALBA were a not-for-profit institution. That was the first milestone – the specification of the model of the school, which resembles the private universities in North America, especially in the United States (US).
When it comes to understanding the success of ALBA it is important to note the contribution of Nikos Ebeoglou, who is now the chairman of our board. He has been involved throughout his career in management education at all levels and is now also the chairman of the board of the Hellenic Management Association. He has good relationships with the business community in Greece and is a person who is respected by them. He is the "seal of approval" from the business point of view. I, being an academic, secure links to the academic community. I don't believe that we could be successful without Mr. Ebeoglou's help and managing skills.

Do you think there is room for expansion in Greece's system of higher education?
There is room for 10 more schools like ALBA and another ten state universities because at this point, as Greek companies are expanding in the Balkans and Eastern Europe, we are gaining a very strong position as a country and we can establish ourselves in the market. We can be the educational center for the whole of Southeastern Europe.

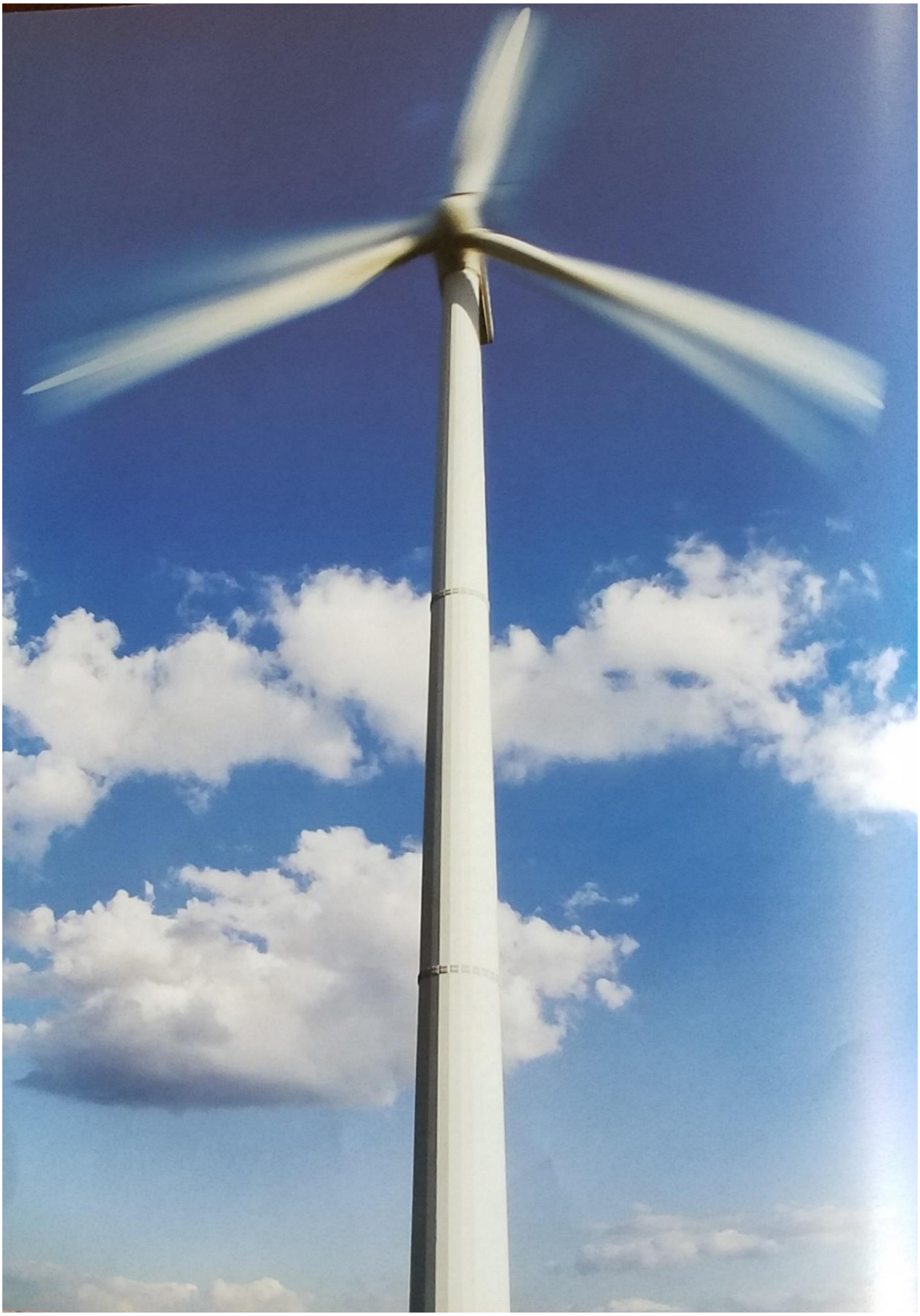
Can you share an example of how ALBA Graduate Business School partners with businesses in recruiting students from outside of Greece?
Titan Cement offers two scholarships in Skopje. They first interview people who eventually might be hired by them and then we interview them and review their academic qualifications. In this way, we have opened up for companies that are working here and approach various international markets. Now that we have their trust and collaboration, we are going to be more aggressive to pursue additional partnerships. We are already addressing the Greek communities in the US, the United Kingdom (UK), South Africa, and Australia, offering them a program that meets all international standards, is in English, and lasts for only one year. We believe we can be the ambassadors of the Greek educational system in these countries.

What are some of the school's other goals?

> "We can be the educational center for the whole of Southeastern Europe."

In the short run, we would like to further strengthen the full-time graduate programs and reach a level of 50 percent, if not 70 percent, of our students coming from abroad. Our full-time programs should be able to compete with the top European and American business schools in attracting talented students from all over the world. Another priority for us is to move to a new campus. We have recently bought land in Koropi, we are now in the designing process, and we expect the campus to be ready in three years. We will expand our facilities, adding libraries, dormitories, and other new buildings. We also want to further build on our executive education. About 18 percent of our revenue comes from executive education, which is pretty good for our size and number of years in the business.

What factors contribute to making Greece a place where excellence in higher education can be achieved?
I believe that the human capital that Greece, within its borders and outside, can build some of the best universities. One of the reasons I am in this business is that I have the vision that Greece can become one of the key players internationally in higher education. We have the tradition, the culture, the people, the climate, and the natural beauty, so I don't see why Greece couldn't have top universities like Israel does.



Energy

Sector Overview:

In recent years, increased concern about global warming and the harmful effects of environmental pollution has amplified the demand for clean and sustainable energy sources. One of the leading contenders in the competitive energy sector worldwide is wind power. In Greece, wind power is considered an especially attractive option, as the country's weather conditions and terrain make its application nationwide feasible.

Adopting the world's fastest-growing energy source

Wind power is the world's fastest growing energy source, having expanded its presence significantly since the early 1990s. Wind is becoming the energy source of choice not only because it is clean and abundant, but also due to the fact that it has become highly cost competitive in the world energy markets. Indeed, one of the European Union's (EU's) priorities is to promote Renewable Energy Sources (RES), assisting its member states in determining individual targets for RES contribution to the production of electric energy. Greece's target percentage is 20.1 percent, a goal the country has committed to reaching by the year 2010; if Greece succeeds, it will have doubled its present use of RES.

Deregulation of the energy market

The deregulation of the electrical power market in Greece began in February 2001 in the context of the EU's own focus on integrating the electrical power market. During the past six years, liberalization of the Greek energy market has meant that Greek citizens have begun to enjoy the right to select their own electricity providers, while companies involved in the production and distribution of electric energy have become more accountable for their financial governance. It has also brought independent producers of electric energy into the market, providing competition in the sector where previously there was none.

Natural gas delivery a possible means of peace-making?

By mid-2007, a 300 meter cross-border pipeline will begin delivering natural gas from Turkey to Greece in the neighboring countries' first-ever joint infrastructure project. Meanwhile, construction is underway to build an undersea link through the Adriatic joining Italy and Greece in a joint natural gas venture due to become operational in 2012.

An energy source to connect two seas

Although the long-awaited Burgas-Alexandroupolis pipeline's annual capacity of 35 million to 50 million tons is relatively small in comparison to Turkey's Baku-Ceyhan pipeline, it will nevertheless assist in reducing tanker congestion in the Bosphorus Strait. This project has an estimated price tag of $1 billion, will run between Bulgaria's Black Sea and Greece's Aegean Sea, and is a joint venture between Greek, Bulgarian, and Russian companies.

Sunbathing providing power

Thanks to the fact that Greece is bathed in sun approximately 300 days per year, companies active in the domestic energy market are researching and exploring the benefits of expanding the number of photovoltaic (PV) implementation systems in the country. These systems convert thermal energy into electricity reliably, involve low equipment investment and operating costs, are environmentally-friendly, and are highly efficient. As a result, PV systems are a growing phenomenon in Greece, and companies of all sizes are implementing these and other innovative solar electric power projects.

Using extensive skills and experience to light the way to cleaner electricity

Copelouzos Group

The Copelouzos Group, 37 years strong, owns companies active in various areas of industry and technology. Among them are Damco Energy S.A., Enelco S.A., Neco S.A., and Prometheus Gas S.A., all companies specializing in meeting the needs of the strategic economic growth area of energy.

"Through Prometheus Gas S.A., a joint Greek-Russian company established in Athens in 1991, Copelouzos combines its resources with Gazprom Export Limited, a Russian subsidiary of OAO Gazprom, the largest natural gas company worldwide."

Wait for what?

In recent years, the Copelouzos Group has been concentrating on self-financed and concession projects in response to the privatization shift that has been taking place in Greece. As market areas previously distinguished by their state ownership become more and more influenced by private development, Copelouzos is one of the companies taking the lead in adapting to the changing market conditions.

One of the large-scale projects in which the group is involved is the importation and distribution of natural gas to Greece, alongside the construction of the necessary natural gas infrastructure. The group has taken on many of its projects, including the aforementioned, in conjunction with other local and foreign specialized firms, giving its companies experience that provide an edge in the international arena.

Delivering natural gas to Greece

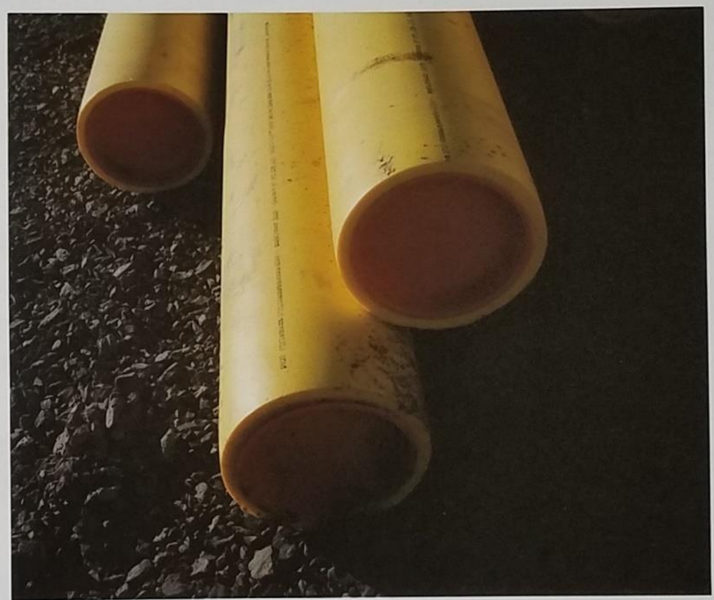
Through Prometheus Gas S.A., a joint Greek-Russian company established in Athens in 1991, Copelouzos combines its resources with Gazprom Export Limited, a Russian subsidiary of OAO Gazprom, the largest natural gas company worldwide. Through this collaboration, Prometheus Gas S.A. has secured 3.1 billion cubic meters of gas annually through 2016 and seven billion cubic meters annually thereafter, an amount exceeding those contracted to be imported into Greece by DEPA, Greece's Public Gas Corporation. Prometheus Gas S.A. may supply this gas to the Greek market once DEPA has distributed its annually-contracted quantities. The company is also in the process of completing the "Komotini – Alexandroupolis" natural gas pipeline, which began construction in spring 2006. This pipeline is part of the 87-kilometer pipeline connecting Greece's and Turkey's respective transmission systems.

Exploring other RES

Of course, Copelouzos is actively involved in other areas of the energy sector, as well, including the development of wind energy, solar energy, and hydroelectric energy. Recognizing that wind power will be an important component of worldwide energy production for years to come, Copelouzos has been integrating wind power in its activities since 1988. Currently, Copelouzos has an installed capacity exceeding 70MW, which gives it a 20 percent share of Greece's wind power market.

Hellenic Petroleum Group

A part of the team that just discovered a new well in Libya in October 2006 and now owns a 20 percent share of the joint venture, the Hellenic Petroleum Group is actively involved in collaborations with other companies both domestically and abroad. The group holds a leading position not only in the Greek energy sector but in that of Southeastern Europe at large.



Shareholders see highs and lows in 2006

The group reported a 22 percent increase in revenues in 2006, reaching 8.1 billion Euros, with "clean" net income up 45 percent to 277 million Euros. Nevertheless, net profits, amounting to 260 million Euros, dropped 22 percent year-on-year. Parent company Hellenic Petroleum S.A. is listed on both the Athens and London Stock Exchanges, floating 28.6 percent of its share capital.

The Hellenic Petroleum Group controls a 71.3 percent of the Greek market and 80 percent of the Former Yugoslav Republic of Macedonia (FYROM) market in wholesale domestic refining. It also holds a 21.8 percent share of the domestic marketing corner of Greece's energy sector, focusing on fuels used for aviation, marine, and industrial purposes. One component of the company's growth strategy is to continue to increase the number of its company-controlled gas stations, currently standing at 243, 19 percent of its total network.

Diversity in power sources and locations

Originally established in order to construct the first oil refinery in the country by the Greek State in 1958, the Hellenic Petroleum Group has become one of Greece's largest industrial and commercial groups and is currently active in nine other countries, as well. It maintains 75 percent of the refining capacity of Greece, and 100 percent in FYROM. Network expansion continues to grow internationally, as well, with the company's total gas stations abroad reaching 225 in 2007. The group coordinates its efforts with those of international companies in seeking to assure that hydrocarbons necessary to cover its refinery capacities will be obtained. Through its subsidiary companies, it produces electric power, promotes natural gas, and participates in the transportation of crude oil products. It is the only petrochemical producer in Greece, holding a 50 percent or greater domestic market share in all petrochemicals products produced or traded.

Hellenic Petroleum S.A. maintains exclusive rights for exploiting and producing hydrocarbon in 62,000 square kilometers of Greece, and has secured similar rights in Montenegro. Meanwhile, Thessaloniki Energy S.A., another subsidiary company of the Hellenic Petroleum Group, was the first private entity in Greece to construct and operate a power plant with a total capacity of 390 MW. This plant uses natural gas and is the first of three plants planned for construction by Thessaloniki Energy S.A. in order to increase the power it produces to 1200 MW. Its construction was completed in December 2005, further strengthening the Hellenic Petroleum Group's prevailing position in the domestic energy market.

"The Hellenic Petroleum Group reported a 22 percent increase in revenues in 2006, reaching 8.1 billion Euros, with "clean" net income up 45 percent to 277 million Euros."

Promoting the benefits of natural gas

Public Gas Supply Corporation of Greece (DEPA)

Greece's Public Gas Supply Corporation of Greece (DEPA) is rapidly becoming a major player in the Balkan region through the implementation of a national strategy aimed at establishing Greece as a transporter of natural gas between East and West. Taking the Ministry of Development's "energy diplomacy" approach as its cue, DEPA has made strides in recent years to support Greece in achieving this goal.

Giving up the monopoly

The Greek State currently controls 65 percent of DEPA, while Hellenic Petroleum owns a 35 percent share in the company. By mid-2007, the state will have divested the majority of is stake. This move will push the country's privatization trend into the energy sector and put DEPA on the Athens Stock Exchange (ASE).

The state's relinquishment of its share in previously government-held companies in several sectors clearly offers the country multiple benefits, including reducing public debt. Nevertheless, following the privatization of DEPA, the Greek government has declared that it will invest 1.5 billion Euros into its domestic gas infrastructure network while simultaneously offering tender licenses for regional operators in preparation for an expected tripling of demand in the next three years.

Embarking on joint ventures

DEPA has signed memorandums of understanding, joint declarations, and interstate agreements with companies in Azerbaijan, Iran, Italy, and Turkey in order to interconnect Greece's gas network with that of each of these countries.

DEPA, representing Greece, has also joined forces with companies in Albania, Bosnia-Herzegovina, Croatia, FYROM, Serbia, Slovenia, and Turkey to conduct a joint study investigating the financial feasibility and value of transporting natural gas from the Caspian Sea area and the Middle East through and to each of their countries.

DEPA's main aim is to increase the percentage of natural gas in the domestic energy market. The government has been supporting this increase in national gas consumption through allowing the establishment of new Gas Supply Companies (EPAs). The extension of networks into developing industrial areas and the promotion and privatization of investment in power production have also proved to be effective incentives for promoting increased urban consumption of natural gas. DEPA is already negotiating sales contracts with private investors in the energy sector who have been, or are expected to be, awarded licenses to establish power stations.

"Following the privatization of DEPA, the Greek government has declared that it will invest 1.5 billion Euros into its domestic gas infrastructure network while simultaneously offering tender licenses for regional operators in preparation for an expected tripling of demand in the next three years."

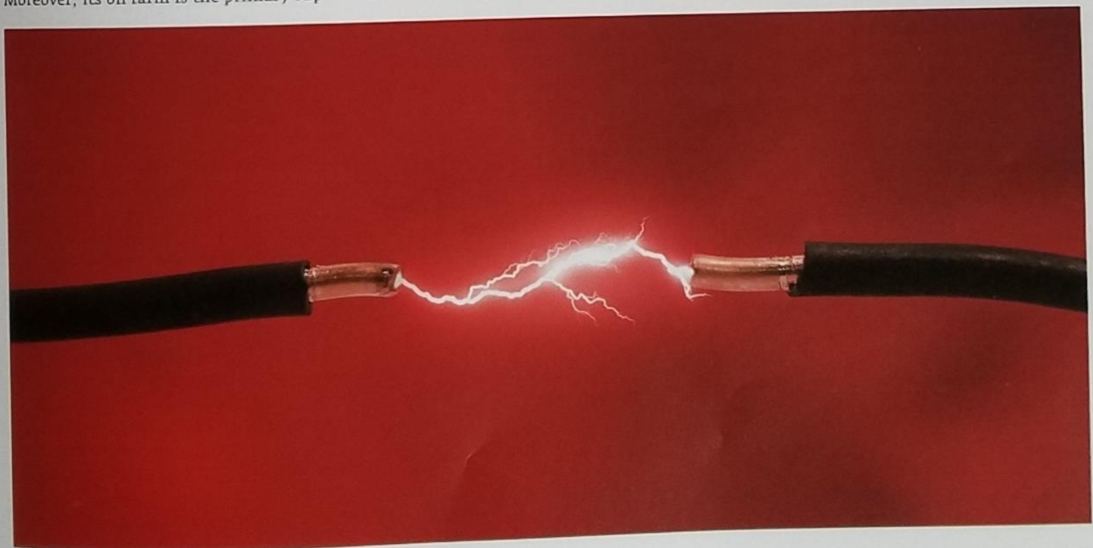
Mamidakis Brothers Group

Jet Oil Bunkering, a subsidiary of Mamidoil – Jet Oil S.A., which is a member of the Mamidakis Brothers Group, is Greece's largest privately-owned supplier of marine bunker fuels. Indeed, the Mamidakis Brothers Group itself is one of the largest diversified groups in the country, with its companies engaging in activities ranging from oil supply, petroleum retail, and bunker supply to international shipping, tourist enterprises, agroindustrial enterprises, and banking.

Building for success
Mamidoil – Jet Oil S.A., the largest privately-owned Greek petroleum trading company, maintains the largest private oil depot in all of Greece. Located near Thessaloniki, it is comprised of 11 tanks and has a capacity of 190,000 cubic meters. Its private mooring facilities accommodate vessels up to 150,000 deadweight tons (DWT) and are linked to the railway. As a result, the company stores and transports all grades of petroleum products throughout Greece. In fact, it enjoys a six percent share of the domestic petroleum retail market.
With the oil tank farm located in northern Greece, good business relations with neighboring Balkan countries are easy to facilitate. As a result, Mamidoil - Jet Oil S.A. does business in Albania, Bulgaria, the Former Yugoslav Republic of Macedonia (FYROM), and Serbia. Moreover, its oil farm is the primary supplier of crude oil to the refinery in Skopje and has been since 1971, through an exclusive long-term contract granting it rights to store and transport the majority of said refinery's crude oil.

Unifying strengths
Embarking on a joint venture with Skopje Refinery, Mamidoil – Jet Oil S.A. established Maresko Limited with the intention of storing and supplying petroleum products to FYROM and Serbia. Jet Oil Albania was established with the same aim in mind for Albania.
In addition to storing and supplying petroleum products throughout the Balkans, Mamidoil – Jet Oil S.A. controls a 15 percent share of the Greek bunker market, supplying bunkers to all the major ports in Greece. To increase profits and autonomy, the company uses the vessels owned by another of the Mamidakis Brothers Group subsidiaries, Jet – Tank Maritime Company, to complete the bunkering. It supplies fuel for all types of ships and has been successfully doing so for more than 40 years.

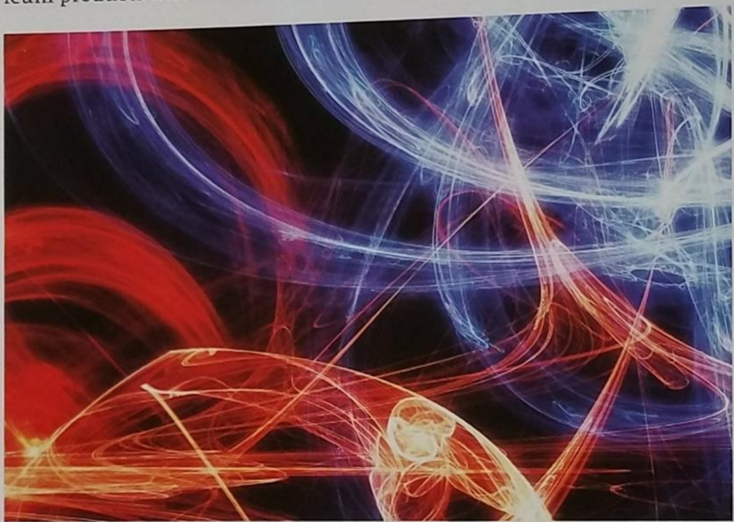
"Mamidoil – Jet Oil S.A., the largest privately-owned Greek petroleum trading company and a member of the Mamidakis Brothers Group, maintains the largest private oil depot in all of Greece."



Motoring up for the long run

Motor Oil Hellas

Motor Oil Hellas is best known for its commercial and trading enterprises, but it is a company that through its vertical structure manages every aspect of its operations in the refined oil business. The company stores petroleum products, refines crude oil for its clients, and facilitates the loading of the whole range of petroleum products into vessels and trucks.



"Listed on the Athens Stock Exchange (ASE), the company's turnover in 2006 reached 3.6 billion Euros, up from 2.9 billion Euros in 2005."

Energy, economy, and growth

As a leader in the petroleum refining industry, Motor Oil Hellas now provides not only Greece but the entire region a reliable and affordable supply of energy. Its growth and organizational structure have led it to become a key contributor to Greece's economy and an important player in the region.

Listed on the Athens Stock Exchange (ASE), the company's turnover in 2006 reached 3.6 billion Euros, up from 2.9 billion Euros in 2005. Meanwhile, its EBITDA rose to 258.6 million Euros, an 8.4 percent increase year-on-year. Its clients include major petroleum marketing companies both domestically and abroad.

Contribution and responsibility

Motor Oil Hellas strives to ensure that all of its activities have a positive and productive impact not only for its shareholders but also on the social and natural environment in which it functions. Its management emphasizes a three-fold "economy-environment-community" approach, recognizing not only the company's fiscal responsibility to its investors but also its civic responsibility to contribute to Greece's economic, social, and cultural growth. As a result, the company regularly contributes to social, cultural, and athletic activities throughout the country.

One example of how Motor Oil Hellas contributes to the communities surrounding its refineries is through incurring a portion of the expense for heating schools and other institutions in those areas during the winter. Another commitment the company has made is to annually donate medical equipment to Corinth General Hospital.

Modernity and innovation

The largest privately-held industrial complex in Greece is comprised of Motor Oil Hellas's refinery, ancillary plants, and off-site facilities. The refinery is considered to be one of the most modern refineries in Southeastern Europe and can produce a full range of petroleum products while complying with the most stringent international specifications.

In addition to producing fuels, Motor Oil Hellas is the only lubricants producer and packager in all of Greece. Both the base oils and the lubricants the company produces are approved by international entities including the United States Army and Navy. Its clients include well-known international companies like BP, Chevron, Exxon-Mobil, Shell, and Texaco, as well as Greek fuel-trading companies, refineries both in Greece and abroad, and end consumers like the Public Power Corporation (DEPA) and Aluminum of Greece.

Five years ago, the company acquired 100 percent ownership of Avin Oil, a subsidiary that engages in domestic fuel trading. Its wide range of petroleum products – including gasoline, diesel oil, asphalt, and lubricants – address the various needs of transportation, industrial, and household usage. With more than 550 gas stations in its Greek network, Avin ranks fourth in the domestic market and controls a nine percent market share.

An ever-innovating pioneer in the field of renewable energy sources

C. Rokas S.A.

C. Rokas S.A., parent company of the Rokas Group, is a pioneer in the Greek market of renewable energy sources (RES). Presently owning and operating wind parks with an installed capacity of 193.3 megawatts (MW), producing more than 525 gigawatt hours (GWh) annually, the company remains an undisputed leader in the Greek burgeoning market of RES-generated electricity. The company's original activities, however, were in the sector of electromechanical projects, an area in which the company continues to lead and innovate today. In fact, C. Rokas S.A. holds a leading position in both sectors.

Constantly seeking to improve and maintain an edge

The company has been among those companies collaborating with others in experiments to create even less expensive, more efficient sources of RES. Indeed, in November 2005, the company joined forces with the Center for Renewable Energy Sources and other groups within the European Union (EU) to design and establish the first pilot plant in Greece producing hydrogen from wind energy. This is just one of many projects C. Rokas S.A. has taken on through its cooperation with companies, universities, and other institutions in their shared interest in researching new RES technologies.

Partnering with its main shareholder, the Spanish company Iberdrola Energias Renovables S.A., has been a strategic move for the company, as well. Iberdrola is a world leader in RES, controlling an installed capacity exceeding 4,000 MW. The Spanish company currently holds a controlling share of 52.7 percent of C. Rokas S.A., but in April 2007 C. Rokas S.A. and Iberdrola submitted a joint Notification on the Concentration of Undertakings to the Hellenic Competition Commissions for the approval of Iberdrola's acquiring sole control of the management of C. Rokas S.A.

Moving forward in spite of mixed 2006 results

In May 2007, the company's managing director, Matthew Troulis, was elected chairman of the board, replacing George C. Rokas at the helm of the board. Meanwhile, the company reported a steep decrease in sales of 2.72 million Euros in 2006, compared to nearly seven million Euros in 2005. Still, the company enjoyed a simultaneous remarkable increase in net profits of 7.3 million Euros in 2006, versus 2.7 million Euros year-on-year.

"Partnering with its main shareholder, the Spanish company Iberdrola Energias Renovables S.A., has been a strategic move for C. Rokas S.A. Iberdrola is a world leader in RES, controlling an installed capacity exceeding 4,000 MW."

€M	Q1 2006	Q1 2007	Δ (%)
Sales	14.0	12.5	-10.4%
Gross Profit	4.7	5.8	23.2%
EBITDA	7.9	7.8	-1.0%
EBIT	5.3	5.7	6.3%
EBT	5.0	5.6	13.4%
EATAM	2.9	4.8	66.1%

Exploiting its comparative advantages in a market ripe with opportunity

Public Power Corporation

Through a distribution network of approximately 207,300 kilometers, the Public Power Corporation (PPC) supplies electricity to more than seven million customers throughout the mainland and islands of Greece. Having become a Société Anonyme in 2001 and being listed on the Athens Stock Exchange (ASE), the PPC has in the last six years undergone many significant organizational changes. Today, the PPC is one of Greece's largest companies, and despite growing competition still holds a leading position in the domestic electrical energy market.

Using deregulation as a catalyst for growth

With nearly 300 offices nationwide, the PPC is constantly seeking ways to upgrade and develop new services, respond quickly to power failures, and consistently maintain the network with a goal to provide a high-quality, uninterrupted power supply to all of its customers. In fact, since the energy market began to be deregulated and competition became a factor, the time required to restore power after a failure has decreased significantly and now compares favorably with the average recovery time throughout Europe.

The PPC has been transformed into a fully vertically-integrated company, with clear objectives and a focused strategy, a modern organizational structure, and a responsible environmental policy. Part of the company's strategy is to adopt state-of-the-art technologies and branch out into other markets, including telecommunications with its subsidiary Tellas S.A., which achieved a 10 percent share of the domestic telecommunications market in its first two years of operations alone. Likewise, one of PPC's objectives is to rapidly develop in order to maximize its value for shareholders, and so far it has been successful.

Going public brings benefits all around

High profit figures were achieved during the company's three successful public offerings, assisting it to deal proactively with the challenge of competition after having enjoyed a state-protected monopoly on electrical energy production and distribution for five decades. With sales of electricity nearly doubling from 28,337 gigawatt hours (GWh) in 1990 to 50,719 GWh in 2005, and annual per capita consumption steadily rising from 2,923 kilowatt hours (KWh) in 1990 to 4,808 KWh in 2005, the PPC's move onto the ASE and the London Stock Exchange and subsequent increase in capital could not have been better timed.

Having established links with the energy markets of Southeastern Europe, the PPC in May 2007 was still in negotiations for the privatization of the Bobov Dol thermal power plant in Bulgaria. It plans to use local coal in an environmentally-friendly manner to effectively make the plant economically viable. The company also announced in January 2007 that it would join forces with EDF Energies Nouvelles to construct wind parks capable of producing 122 MW of power.

PPC owns 98 power plants and the power these plants generate is sufficient to meet the needs of the entire Greek market. The company is also presently the only distribution operator in Greece, and is exploiting opportunities in the still-young deregulated market on the basis of its comparative advantages.

"The PPC has been transformed into a fully vertically-integrated company, with clear objectives and a focused strategy, a modern organizational structure, and a responsible environmental policy."

The wind beneath Greece's RES wings

Terna Energy S.A.

Less than a decade old, Terna Energy S.A. is a subsidiary of Terna S.A. and one of the companies comprising the GEK-Terna Group. It was founded specifically in order for the group to begin participating in the then-undeveloped renewable energy sources (RES) sector of the Greek energy market. Today, Terna Energy S.A. is actively involved in the production of energy from RES, especially in the construction and operation of wind farms, small hydroelectric plants, and integrated process units for the management and utilization of wastes and biomass.

Comparative advantages give a boost

The GEK-Terna Group is one of the leading construction conglomerates in Greece, with a long and highly successful track record and a strong financial position.
As a member company of this group, Terna Energy S.A. jumped into the energy sector with a huge support network in technical background and efficient infrastructure, its success all but guaranteed.
In less than two years, during 2000-2001, the company constructed and began to operate its first four wind parks, with a total capacity of 41 megawatts (MW).
As a fully vertically-structured company, Terna S.A. invests its own capital in the development of new electrical energy production units, utilizes its specialized personnel and its own infrastructure to develop these new units, and exclusively maintains and operates the units itself.
Presently, the company owns and operates eight wind farms in different regions of Greece, with a total operating capacity of 109 MW, and has four more wind parks with a total capacity of 71 MW under construction.

Wind farms succeed on every level

The wind farms constructed and operated by Terna Energy S.A., in addition to meeting their productivity targets to date along with the annual energy needs of about 60,000 households, have also contributed to Greece's environmental policy and national economy. Their existence has resulted in a substantial reduction in greenhouse gas emissions – approximately 320,000 tons of carbon dioxide annually, in fact – along with a reduction in conventional domestic fuel consumption of approximately 400,000 tons of lignite per year.
Terna Energy S.A. has laid the foundation to develop new wind farms by securing licenses to produce electricity through an additional wind farm capacity of 500 MW. The development of these projects is already proceeding rapidly, with the company moving forward with environmental and economic planning. Indeed, the company indisputably holds the largest domestic RES development program in Greece today.

"Presently, the company owns and operates eight wind farms in different regions of Greece, with a total operating capacity of 109 MW, and has four more wind parks with a total capacity of 71 MW under construction."

Boutari's Naoussa Winery

Food and Beverage

Sector Overview:

Over the course of the last few years, the Greek food and beverage industry has experienced dynamic growth. Valued at about 25 million Euros, the sector has shown growth of an average of 3.2 percent annually. Imports have still experienced annual growth of approximately nine percent, outpacing the 2.8 percent annual increase in domestic consumption. Nevertheless, as the food and beverage industry has been undergoing rapid growth in Greece, and as Greece has been exporting an increasing number of products to the Balkans, foreign firms have experienced success in the Greek market.

Branching out to the Balkans

Several Greek food and beverage companies are active in the Balkans, particularly in Bulgaria and Serbia, and many have begun to show interest in tapping the rising consumer demand elsewhere in the region and as far afield as Russia. The food and beverage industry in the Balkans is arguably still in a nascent stage, and many Greek companies believe they can maintain their dominant position well into the next decade. Some of these companies are finding that their greatest profit potential lies in getting involved in areas as disparate as organic farming and fast-food chain franchising.

Diving into foreign dairy markets

Greek companies Olympos and Tyras are investing 30 million Euros in building a dairy production plant in Romania, in their effort to establish their brands in Romania's growing market. This combined effort signals Greece's growing interest in Romanian dairy, which has been escalating as the country's possible accession into the European Union (EU) would open the market for further development.

Joint ventures prove profitable

Currently, the majority of food and beverage suppliers in Greece experience annual sales growth. Many companies in the sector both produce and distribute their products, and increasingly Greek companies are collaborating with multinationals in an effort to augment their exports and enhance their position domestically.

Organic farming on the rise

The demand for organic food products has been high in Greece, despite the relative recent appearance of organic food in the market and its cost being an average of 35 percent higher than non-organic products. As organic farming finds its footing in Greece, organic foods continue to be imported from neighboring countries. Presently, the primary organic products being cultivated domestically are apples, cherries, citrus fruits, grapes, olives and olive-based goods, and pears.

Beverages quenching producers' thirst for profits

Accounting for approximately 600 million Euros in sales, the beverage sector is experiencing rapid growth. Growth rates per annum range from three percent for wine to six percent for soft drinks.

Leader in top-quality international food and beverage sales

AB Vassilopoulos

The extensive improvements in Greece's infrastructure have been enthusiastically received by Greeks and tourists alike. What those responsible for improving the Greek infrastructure may not have realized while engaging in their work, however, is that through building excellent national roads and improving access to the north they were simultaneously making national-chain-viability a possibility for growing businesses like AB Vassilopoulos.
Logistically speaking, circumstances are ripe for expansion throughout the north of Greece. AB Vassilopoulos recognizes this and is taking steps to exploit it. Already well-known in 48 percent of Greek households, primarily among those located in Attica and southern Greece, AB Vassilopoulos is seeking prime opportunities to expand in and around Thessaloniki while simultaneously reexamining opportunities available in the smaller Greek provinces.

Expanding lines, expanding customer base
Initially, the AB Vassilopoulos located in Psychiko, a suburb of Athens, served a primarily wealthy local clientele of diplomats and expatriates who could afford to pay the slightly more expensive prices necessitated by the added expense of flying goods from other countries to Greece. Interestingly enough, this specific clientele assisted AB Vassilopoulos in attaining the most extensive, most diverse array of food and beverage offerings in Greece through persistent demands for different products.
Now, in addition to offering items produced by top international brands, AB Vassilopoulos is developing products specifically catered to the culinary trends and interests unique to Greece. Its line 'Close to Greek Nature,' for example, promotes seasonal and local products and, intentionally or not, has a beneficial impact on the global natural environment and on the Greek economy, as well.

Winning strategies
Sales of 489.8 million Euros in the first half of 2006 demonstrated an increase of 11.9 percent over the 437.8 million Euros in sales achieved in the first half of 2005. Similarly, gross profits in the first half of 2006 were 103.3 million Euros, a marked increase of 11.4 percent over the 92.7 million Euros in gross profits achieved in the first six months of 2005. Needless to say, the Delhaize Group, which owns a 60.65 percent share of AB Vassilopoulos, is delighted by the results of AB Vassilopoulos' expansion into other areas of the food and beverage retail market. Delhaize, which itself has a 139-year history of operation in Belgium, operates in eight countries on three continents and is listed on both the Euronext Brussels and the New York Stock Exchange (NYSE). Customers seem to be equally delighted with AB Vassilopoulos's choices; approximately 75 percent of the supermarket giant's customers do not shop anywhere else for groceries.

"Approximately 75 percent of AB Vassilopoulos's customers do not shop anywhere else for groceries."

Supermarket chain in Attica

J. & S. Sklavenitis S.A.

Originally established in 1951 as a wholesaler, Sklavenitis is now one of the top retail supermarket chains in Greece. Indeed, in 2005 Sklavenitis was the third-largest grocery retailer, generating sales of approximately 886 million Euros. Currently operating exclusively in the Attica region, Sklavenitis is the most popular and ubiquitous food retailer in Athens. With 38 stores thriving despite intense competition from Carrefour-Marinopoulos and AB Vassilopoulos, Sklavenitis is preparing to take its successful approach to food retailing nationwide.

In December 2006, the four children of founder Spyros Sklavenitis took out a syndicated bonded loan worth 332 million Euros from seven banks in Greece. This unusual move was made in order for the descendants to complete their acquisition of 65 percent of the company's capital stock, ensuring that the supermarket chain remains Greek-owned and operated. Simultaneously, this bold move silenced rumors that international retail giants Tesco or Wal-Mart might acquire the company.

"Currently operating exclusively in the Attica region, Sklavenitis is the most popular and ubiquitous food retailer in Athens."

A quiet giant

Marinopoulos Brothers S.A.

For a company that attempts to maintain a low public profile, Marinopoulos Brothers S.A. sure is involved in a huge number of ventures. The company's assets include investments in businesses operating within the industries of retail food and beverage, retail clothing, telecommunications, book and magazine publishing, and the manufacturing and marketing of cosmetics and pharmaceuticals. No wonder it is one of Greece's leading retail, commercial, and industrial groups.

Strategic alliances

Perhaps one of Marinopoulos Brothers' best-known joint ventures is its partnership with Carrefour, a French holding company. Seven years ago, the European Commission authorized the two companies to bring their supermarket chains and other acquisitions

"Opening their first Starbucks in Athens in 2002, the company has already increased the number of outlets in Greece to more than 60 and opened outlets in Austria, Cyprus, and Switzerland, as well."

in Greece together under one roof. The enormous Carrefour / Marinopoulos outlets have since become one of the primary competitors in the retail food market, going head-to-head with leading Greek supermarkets Sklavenitis and AB Vassilopoulos.

Another of Marinopoulos Brothers' touted partnerships is with Starbucks Coffee International. Opening their first Starbucks coffee shop in Athens in 2002, the company has already increased the number of outlets in Greece to more than 60 and opened outlets in Austria, Cyprus, and Switzerland, as well.

Marinopoulos Brothers represents not only Carrefour Marinopoulos S.A. and Starbucks Coffee International in the retail sector, but also Sephora Marinopoulos S.A. in a joint venture with LVMH and Greece's Marks & Spencer franchise. In the industrial sector, the company partners with FAMAR S.A., one of Europe's largest pharmaceutical and cosmetics companies.

Producing high-quality meat products in a competitive marketplace

Creta Farm S.A.

Creta Farm, one of the most innovative and pioneering companies in Greece, is currently the only vertically-structured company in the country that controls 100 percent of its goods' production, conversion, and trading. From the raising of its livestock and the breeding and fattening of its pigs to the production of cured meats and trading of those and other food products, the island of Crete's own Creta Farm is running the whole show.

"Creta Farm is currently the only vertically-structured company in Greece that controls 100 percent of its goods' production, conversion, and trading."

Profitability in accountability

Naturally, greater profit margins and lower costs are possible with a company-owned and operated vertical structure of production, but Creta Farm also maintains complete control at all stages of its goods' production in order to preserve the highest quality of its products, something for which Creta Farm has earned a solid reputation domestically. In fact, Creta Farm is the only company of its kind in Greece that is accredited with three ISOs for various units within its production.

In the cured meat products market, no doubt the most important innovation is the company's range of products with extra-virgin olive oil in place of animal fat. This one-of-a-kind technology, which involves removing most of the meat's animal fat and replacing it with extra-virgin olive oil, is patented in Europe, the United States (US), and Asia. The company has also developed very successful ranges of low-fat (0-3 percent fat), organic, and natural (with no added preservatives) cured meat products.

Maintaining a stellar reputation for high-quality products and for innovation in the research and development of new products continues to be a profitable strategy for Creta Farm. The company reported third-quarter 2006 results showing an increase in revenues by 2.8 percent to 64.1 million Euros over third-quarter 2005 results, and a 4.7 percent rise in EBITDA to 10.2 million Euros. In the first nine months of 2006, the company's net profits rose to 2.1 million Euros, a five percent increase year-on-year over 2005's profits of 1.97 million Euros.

Merger unifies market leaders to form the strongest company in Greece's food sector

Vivartia S.A.

Vivartia is a young company formed in September 2006 from the absorption by Delta Holding of Delta Dairy S.A., Chipita S.A., Goody's S.A., and General Frozen Foods - Barba Stathis, the tradition and excellence through its leading food products going back many years. Vivartia's founders, Dimitris Daskalopoulos of Delta and Spyridon Theodoropoulos of Chipita are pursuing Vivartia's ambitions using decades of knowledge and experience. Vivartia is, in the words of CEO Spyridon Ioannis Theodoropoulos, "just a company like one thousand others in the world" in that "every company has specific challenges and specific targets." Nevertheless, the suggestion that Vivartia is like any other company in most other ways would be a most modest statement indeed.

One destination, many roads to reach it

Theodoropoulos points out that Vivartia's objectives are clear and concise: "for our business to grow and to achieve the targets we set every year." Most companies share these objectives. What most companies may not be fortunate enough to share with Vivartia is a healthy standing in the stock exchange. Despite all the mergers and acquisitions that have taken place in recent months to form Vivartia as it stands today, the company's share price has remained stable and is recommended as a top contender by analysts.

With a regional market of one billion consumers with 2.5 billion of its products consumed every day, Vivartia produces a wide range of high-profile nutrition brands, which hold leading positions in their sector. With an international activity in almost thirty countries, it has 27 production units and employs approximately 13,000 people.

Comprised of four divisions, all of which are organized and run independently, Vivartia is an intimately-managed company. It consists of a small head office that supports the four different divisions, and each division focuses its time, energy, and resources on its own priorities and strategies. The company's four divisions are Dairy and Drinks, Bakery and Confectionary, Food Services and Entertainment, and Frozen Foods.

"Based on 2005 turnover, Vivartia is now the largest company in the food sector, and the second largest in food and beverage, in Greece."

vivartia

Demonstrated leadership in all arenas

Currently, Vivartia holds the leading position in the fresh milk market, the fresh chocolate milk market, the refrigerated fresh fruit juice market, the frozen vegetables market, the frozen dough product market, the packaged cheese market, and the croissants and bake rolls market in Greece. Furthermore, it holds the leading position in Greece in the branded food market through Goody's and in the branded coffee market through Flocafé.

Based on 2005 turnover, Vivartia is now the largest company in the food sector, and the second largest in food and beverage, in Greece. It is also the 16th largest Greek company of any kind, and the 35th largest food company in all of Europe.

Of the four subsidiaries of Vivartia, the financial results for Delta Holding S.A. have been particularly impressive. In 2005, net sales growth was matched by improved margins, strengthened free cash flow, and reduced debt leverage. This is especially important as prospects for expanding into European markets become more opportune; such expansion will require more than experienced leadership and sound infrastructure in order to meet with success. Theodoropoulos and the other members of the new Board of Directors of Vivartia S.A. clearly understand the challenges their company faces, and they are not the least bit phased by them. They recognize that, as a result of the establishment of Vivartia, synergistic opportunities for each subsidiary of the company have become available. For example, growth potential, both geographically and through cross-selling, is largely increased by the merger, and a merit-based Management for Value (MFV) model is already being planned for use with the company's employees, recognizing achievement of annual targets and steps taken to move the company forward in accomplishing its long-term plans.

Greek Leaders speaks with

Spyridon Ioannis Theodoropoulos, CEO of Vivartia S.A.

"All of our divisions are leaders in their fields, so we have to keep our innovative and value-added strategies to maintain the lead."

What does Vivartia offer that sets it ahead of its main competitors? What makes Vivartia the leading company in the Greek food market?
First of all, in almost every case we are the only players in the market. In Greece specifically, all of our divisions are leaders in their fields, so we have to keep our innovative and value-added strategies to maintain the lead. In other markets outside Greece, our bakery division is the only one with a significant activity in all markets except Italy. Our target is to increase our presence in each market, not only to keep but to built our business. In order to achieve this, we will focus on our competitive advantage and build the strengths that helped us become leaders.

Currently, international sales represent 30 percent of your turnover. One year from now, how do you expect that number will change?
We are planning to grow. This means a 10 percent increase per year in sales. It is unclear to what extent international sales will affect total turnover.

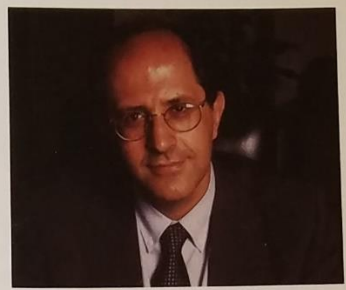
What are your expectations for expanding Vivartia's snack food market share in the specific markets of Saudi Arabia, China, and India? Have you already found strategic partners that will guarantee a sound distribution of these products in those markets?
We are examining possible collaborations in multiple countries. We are ready to move into the Nigerian market, where our bakery division is currently building a plant. We are also very close to signing a contract with Saudi Arabia. We are still examining prospects about a move into China and India.

Vivartia reaches 1 bln consumers worldwide, through 598,000 points of sales and 29 countries

Production & Commercial
Bulgaria
Cyprus
Egypt
Greece
Mexico
Poland
Portugal
Romania
Russia

Commercial only
Czech Republic
Germany
Hungary
Italy
Slovakia
Ukraine

Exports
Albania
Austria
Belarus
Canada
Croatia
FYROM
Kazakhstan
Lebanon
Malta
Serbia & Montenegro
Slovenia
Spain
UK
USA



How financially strong is Vivartia at this moment in time and how likely is it that Vivartia can achieve its goals, taking into account all the problems facing this industry?
Our financial performance is bullish, especially after the sale of our ice cream subsidiary. Financial strength means small debt. Our total debt is not more than 2.5 times our EBITDA. Regarding our targets, annual targets involve new markets and increased sales, amongst other factors.

Is it a challenge for a company to enter a virgin market?
As you know, I became the Vivartia CEO in September. Until that time, I was the MD of Chipita, a company that has been absorbed by Vivartia and is currently its Bakery and Confectionary Division. Twenty years ago, Chipita had one million Euros in sales. Last year its sales reached 300 million Euros. So, I consider new market penetration business as usual. Innovative customer offers in new markets is something we do exceptionally well and is comfortable for me. Today, we are continuing in the same spirit. The only difference is that we are robust and financially stronger.

What are your personal expectations for Vivartia over the next year?
I have two roles here. My first role is the shareholder role and the second is the CEO role. As a shareholder, I strongly believe this is a great company with a solid future and this is why I have invested my own money into it. As there are many talented people working for Vivartia, my role as CEO is to ensure that they share the vision, they believe in our goals and they work to their full potential to help us achieve our mission. I encourage them to take risks and grow as a team. So, in both roles I am confident and optimistic that our performance will remain solid, meet set targets, and even exceed expectations.

A delicious success story

FAGE S.A.

FAGE S.A. (pronounced "fah-yeh") launched the first branded yogurt in Greece in 1978 and shortly thereafter became a part of everyday Greek life. The leading dairy company in the country with an 80-year history now has 20,000 points of sale in 27 countries across four continents. The FAGE trademark is one of the most recognized in Greece, responsible for an incredible 60 percent of branded yogurt sales in the country.

"The leading dairy company in the country with an 80-year history now has 20,000 points of sale in 27 countries across four continents."

Winning combination claims a winning position abroad

Going from a small business founded by the family of Athanassios Filippous in 1926 to an internationally-recognized brand, the success of FAGE's products appears to lie in combining traditional Greek recipes with modern technology, product quality, maintenance of brand strengths, and distribution networks.

One of the most significant achievements of FAGE was the launch into the European market of a strained yogurt in 1981, under the Total brand, which gave birth to the concept of a Greek-style yogurt. Today, Total holds a significant share of the strained yogurt market, is the number one brand in this area in the United Kingdom (UK), and is the number one exported Greek dairy product in sales.

Innovative steps alter the direction of an entire industry

In 1993 FAGE brought a new innovation into the market through the launch of its Fresh pasteurized milk products, based on both the Greek market's interest in this area and new packaging technologies. The Fresh milk range complements its highly-pasteurized milk products including Farma. While yogurt and milk account for three quarters of FAGE's sales, the company is increasing its cheese-production capabilities and has acquired interests in six regional Greek cheese companies: Pindos, Xylouris, Voras, Tamyna, Zagas, and Bizios. The company's publicly-expressed long-term strategy includes continued investment in the packaged cheese market.

Sales reflect consumers' satisfaction

FAGE's net sales during the first nine months of 2006 amounted to 262.9 million Euros, an increase of three percent year-on-year. Sales volume increases were 70 percent and 20 percent in the United States (US) and the UK, respectively, over the same period.

The company's yogurt sales volume increased by 4.9 percent during the first nine months of 2006, which included a 24.6 percent increase in exports and international sales when compared with the same period in 2005. Simultaneously, FAGE's packaged cheese products saw an increase of 4.8 percent overall, while in the Greek market the increase was 7.7 percent.

The secrets of success

In recent years, FAGE has improved its operating efficiency through new technology and other improvements to its production facilities, consolidation of its purchasing for raw materials, and other modifications to production processes. These initiatives have lowered unit production costs, thus significantly improving gross profit margins.

In fact, FAGE has one of the most modern milk and milk by-products production facilities in Europe, thanks to state-of-the-art technology and robotics, which ensure its annual yogurt production capacity of 500,000,000 pots. The company's Athens facility, which is ISO 9002 certified, even received an award from the Ministry of Urban Planning, Housing and Environmental Affairs for outstanding architecture and design.

The FAGE brands appeal to a diverse array of tastes and lifestyles, with over 100 brands of cheese, milk, yogurt, butter, and buttermilk, including reduced-fat options and products for children.

At the beginning of the new century, FAGE continues to expand worldwide, simultaneously maintaining its commitment to producing high-quality products. In this way, the company adheres to its pledge, "We could never make a product that we would not give to our children," and is set to remain a leader of the Greek dairy market.

Taking fast food service to new heights

Everest S.A.

In 2006, Everest S.A. generated more than 81 million Euros in sales and saw its share price reach new highs. Establishing and operating restaurants both in Greece and abroad, Everest today runs such well-known franchises as Domino's Pizza, La Pasteria, Papagallino, and Everest itself. The company's franchises can now even be found on ships, in hospitals, and in supermarkets, among other locations, making their services more accessible than ever before.

Staying ahead of the game

With strong competitors in Goody's and Gregory's, Everest in 2006 embarked on a strategic radio and television promotional campaign featuring popular Greek musical artists and downloadable ring tones for mobile phones. Several of its stores also offer Internet access now, many collaborating with Bits and Bytes to offer a literal Internet Café experience to their patrons. During the first three months of 2006, Everest enjoyed a 30.3 percent increase in net profits in comparison to the first three months of 2005: 2.8 million Euros compared to 2.1 million Euros. During the same time frame, its EBITDA increased 23.4 percent, from 3.8 to 4.7 million Euros, and its turnover increased 10.4 percent, from 23.8 million Euros to 26.2 million Euros. Everest has tapped into a niche market and is now the most popular source of quick, healthy, reasonably-priced snacks, small meals, and beverages for individuals on the run.

"In 2006, Everest S.A. generated more than 81 million Euros in sales and saw its share price reach new highs."

Quality and innovation remain a winning combination

Gregory's Foodservice Group

Listed on the Athens Stock Exchange (ASE) since 2000, Gregory's Foodservice Group is more than 50 percent owned by institutional and private investors. With their focus on expanding in "high street" and "captive" markets, Gregory's and Coffeeright brands seem to be succeeding by focusing on consumers who live in a fast-paced environment and spend the great majority of their daytime away from home. Gregory's and Coffeeright offer quick, inexpensive, high-quality food and beverages to people on the run. Both brands have become so well-known, and their quality of service and product so well-respected, that they are now an integral part of many Greeks' daily lives. After all, the company vision is to offer the best day-to-day coffee and snack experience.

A strong foundation for a strong future

Originally established by Gregorys Georgatos as a sole retail shop in 1972, the company became a Société Anonyme (S.A.) in 1991. In keeping with Greek tradition, the next generation of Georgatos family members took over management responsibilities and began to expand the company's network of retail stores. In 2001, within the context of the company's growth, Gregory's Foodservice Group expanded its activities to the area of coffee and created the innovative "Coffeeright" concept. Concentrating on quality and innovation while branching into markets outside of Greece has been a winning combination for the group. There are a total of 179 Gregory's and Coffeeright outlets in Greece, Cyprus, and Romania today, producing a combined turnover of 44 million Euros and earnings after taxes of 1.6 million Euros in 2006. Gregory's Foodservice Group established 34 new Gregory's and Coffeeright stores in 2006, in both "high street" and "captive" markets. Its network growth goal for 2007 exceeds 30 new openings, which will be financed by a combination of the group's own capital and franchising agreements and which are expected to further boost Gregory's and Coffeeright "high street" network.

"Both Gregory's and Coffeeright have become so well-known, and their quality of service and product so well-respected, that they are now an integral part of many Greeks' daily lives."

Running ahead of the crowd

Athenian Brewery S.A.

The largest brewery in Greece, Athenian Brewery S.A. produces several of the country's leading beers, including Amstel, the nation's favorite beer since 1976. Founded by a group of Athenian entrepreneurs in collaboration with the Dutch Brewer Amstel Brouwerij B.V. in 1963, the company has gone from strength to strength. In 1968, Athenian Brewery S.A. became the operating company of Heineken N.V. in Greece with the merger of the two biggest Dutch Breweries. Nearly 40 years later, it served as an official sponsor of the 2004 Olympic Games in Athens. Today, it imports several of the world's leading drinks brands, and exports to over 30 countries in Europe, Africa, and America.

Something to quench every thirst

As well as supplying the nation with its favorite beer, Amstel, the brewery also exports the beer to the Albanian and Kosovo markets exclusively. It serves the local market for Heineken and a full range of other beers: the traditional Greek beer Alfa, the well-known Marathon Beer, alcohol-free Buckler, the Alsace beer Fischer, Fürstenbräu, Zorbas, and Shandy Rock. The company also quenches Greek appetites for an enormous range of imported beers including Amstel Light, Desperados, Erdinger, König Pilsener, McFarland, and Murphy's Irish Stout. Marathon, first brewed in Greece in 1971 and delivering a distinctive taste and unique packaging, is known the world over. It can be found in countries such as Canada, France, Italy, Sweden, Japan, Israel, and the United States (US).

An important year for Athenian Brewery S.A., 1993 saw the company launch its production of the natural mineral water Ioli in its plant located in Lamia, a region famous for its spring water.

"Athenian Brewery's plant in Patra is one of the most modern breweries in Southern Europe, and the unit in Athens produces 1,500,000 bottles per day."

Leading the Greek drinks market

Between 2004 and 2005, Athenian Brewery increased its revenues despite lower sales volumes perhaps caused by a decline in consumer spending and tourism. By reducing costs and improving pricing, the company achieved a significant increase in EBITDA.

At the end of 2006, parent company Heineken N.V. reported net profit growth of 12.6 percent for the full year 2006, and organic growth across all key business metrics and regions. It predicts that growth will remain at a similar level in 2007.

Moving into Southeastern European markets in accordance with its overseas expansion program, Athenian Brewery has formed a strategic alliance with Coca Cola Hellenic Bottling Company (3E) in the acquisition of Zagorka and Pivara breweries in Bulgaria and Skopje, respectively.

In terms of technical developments, Athenian Brewery S.A. operates two of the leading industrial units in Southern Europe. The plant in Patra is one of the most modern breweries in the region, whereas the unit in Athens produces 1,500,000 bottles per day.

Athenian Brewery S.A. leads in social end environmental innovation as well as technical advances, through protection of natural resources and reducing waste with the operation of modern biological purification units. The company sets standards, not just for the quality of its products but also for the way it treats its staff and the environment, which set it apart from competitors.

Bold flavors bowl over international wine connoisseurs

J. Boutari & Son Wineries S.A.

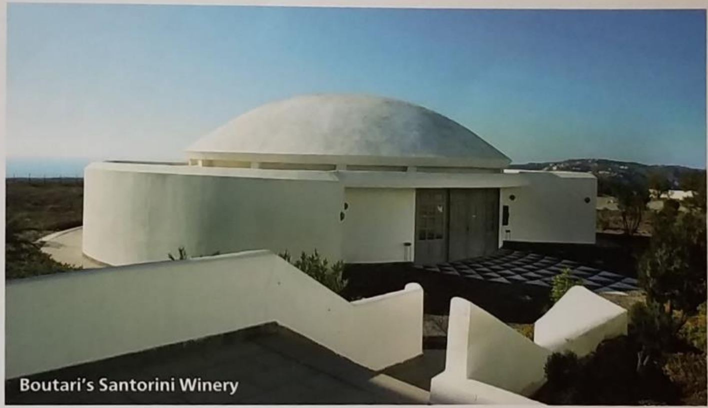
In business for over 125 years already, J. Boutari & Son Wineries S.A. has become a legend in the history of Greek wine. Founded in 1879 by Joannis Boutaris, the company produced the first bottled Greek wine ever to appear on the Greek market, the innovative red wine "Naoussa Boutari." The company is now fully integrated into the Boutari Group, which is listed on the Athens Stock Exchange (ASE).

A future leader's modest beginning

Boutari began modestly in the late 19th century. It was not until 1906 that the company acquired its first winery and cellars located at 35 Zafeiraki Street, now proudly a listed historical building. Stelios Boutaris took the business over from his father Joannis in 1935 and began introducing the company's wines to foreign markets. Stelios is credited with turning J. Boutaris & Sons into the undisputed leader in the Greek wine market. In response to vineyards menaced by the disease phylloxera, Stelios's sons Yannis and Konstantinos Boutaris decided the company should cultivate its own vines. Vineyards were purchased and a skilled workforce was put into place. During the late 1960's Boutari became the first to establish vineyards dedicated to the production of Vins De Qualite Superieure (VDQS). The cultivation of Greek varieties of grapes took the company's viticulture activities to Goumenissa, Santorini, Paros, Nemea, Crete, and Mantineia, adding six wineries to the historic facility in Naoussa.

Innovators in the art of winemaking

Boutari was the first to establish the traditional wine-tasting experience in Greece. The company encourages the general public to observe the wine-making process, to take tours of its wineries in Naoussa, Crete, Goumenissa, and Santorini, and to watch multi-media shows dedicated to the rich Greek aesthetic and cultural experience. Visitors may enjoy wines paired with local, traditional dishes and purchase current, vintage, or limited productions of the wines. Despite the fact that for years Greece was never a country whose name would arise in any conversation about great wines, Boutari long ago confidently began to establish relationships to distribute its products worldwide and is now the best-selling wine producer in Greece. Currently, Boutari products are available in 38 countries on five continents, including Australia, Brazil, Canada, France, Italy, Japan, Peru, Singapore, South Africa, and the United States (US). In order to meet the tastes of discerning wine consumers worldwide, Boutari presently produces 36 different labels. It also imports Chilean wine and French champagne to increase the offerings available to Greek consumers.



Boutari's Santorini Winery

Recent achievements make Boutari a name worth knowing

Boutari made its presence and innovative approach to winemaking felt during the Oenorama 2004, an international wine competition held every two years. The company took an astonishing 13 medals in a competition that features wines from France, Spain, and other highly-respected wine-producing countries. Boutari has improved winemaking practices, integrating such techniques as stainless steel, cold-temperature fermentation, and French oak barrel aging.

Since 1995, the fifth generation of the family has taken its place in the business with the intent to capitalize on the global wine market while maintaining the integrity of Boutari vineyards and wines. The company's efforts do not go unnoticed: Boutari has received more than 240 international distinctions and awards in the last 12 years, and in 2006 was the only Greek wine-producing company to be nominated "International Winery of the Year" by US-based magazine, Wine and Spirits, an honor it has been given 10 times.

> **"Currently, Boutari products are available in 38 countries on five continents, including Australia, Brazil, Canada, France, Italy, Japan, Peru, Singapore, South Africa, and the US."**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Gaming

Sector Overview:

Gamers in Greece spend in excess of 8.5 billion Euros each year on betting, including through online casinos, online lotteries, and other forms of illegal Internet gambling. In the country's nine casinos, approximately three billion Euros is expected to be spent in 2007, while OPAP's annual turnover hovers around 3.5 billion Euros and it remains one of the largest companies listed on the Athens Stock Exchange (ASE).

A landmark ruling

The ruling handed down by the European Court of Justice (ECJ) in the spring of 2007 is a landmark decision; it lays out a proportionality requirement for governments to follow when restricting gambling services in the name of their nations' public good. The decision clearly states that criminal penalties will rarely be considered appropriate in situations involving licensing restrictions.

Arrests prompted by illegal gambling participation

The Greek State, soon after the ECJ's landmark decision regarding a state's right to autonomy in restricting gambling services, arrested three Internet café owners and six of their customers in April 2007 for their involvement with Internet gambling operations. These arrests followed on the heels of British online sports betting company William Hill's request for a license permitting it to open betting shops in Greece. The company announced that it is prepared to appeal to the European courts if the Greek government refuses to grant the gaming licenses for which it filed.

Greece's gaming monopoly upheld

Several European Union (EU) countries maintain a national gambling monopoly, and Greece is one of them. Now that the ECJ has stated that EU nations may retain their gambling monopolies if they believe it to protect public welfare, the pressure is off the Greek State and other EU governments to address the gambling monopolies still existing in their countries.

Intralot's place in Greek gaming sector

Intralot, the company that is providing OPAP the infrastructure and expertise necessary to bring its risk management operations in-house to the tune of 65 million Euros, is listed on the ASE. Its activities span five continents and generated revenues of 700 million Euros in 2006. The company is a leading provider of integrated gaming and transaction processing systems, game content, and value-added services to state-licensed gaming organizations worldwide.

Sensible planning delivers a solid return on investments

OPAP S.A.

Greece as a nation loves to make bets. It is part of the national make-up to bet on whether love will bloom, the sun will shine, or a particular pair of boots will go on sale in February. Greeks even begin each New Year by cutting a loaf of bread called "vasilopita" in their homes with their family members, wondering who will get the "flouri" that has been baked into the bread – a "lucky" coin that purportedly will bring its recipient good luck all year long. Betting, hoping, and believing in luck are simply parts of Greece's national culture. Perhaps in part thanks to this seemingly innate faith and positive approach to risk-taking, OPAP's balance sheets have been consistently in the black for nearly 50 years.

In fact, Greeks are among the top gamers in the world when assessed by the number of gamers per capita. The other people sharing the top spots with the Greeks are the Chinese, the Cantonese, the Australians, the Japanese, and the Cypriots. According to the World Lottery Association, OPAP itself is third in the world in lottery sales per capita, behind only Singapore's pools and Massachusetts's state lottery.

Humble beginnings at the core of Greek gaming giant's foundation

OPAP S.A., the controller of approximately 53 percent of Greece's gaming market, demonstrates that Greeks can be both gamblers and calculated planners. Earning profits off Greeks' penchant for game-playing and risk-taking, OPAP's leadership team carefully chooses just the right moment to introduce new games, is vigilant about handling its risk management, and has never succumbed to cannibalism.

Initially established as a private gaming association in 1958, OPAP began as a State-owned company generating funds to subsidize and finance athletic, social, and cultural events. In 1959 OPAP introduced its first game, PRO-PO, a mutual sports betting game which requires players to guess the results of 13 athletic games.

Forty years later, in 1999, OPAP was transformed into a Société Anonyme (S.A.) with the Greek State being the sole shareholder. That same year, it rolled out its online computer network, the largest online network in Greece, the next largest being that of the National Bank of Greece, which currently has 1367 ATMs. Establishing this online network made it possible for more games to be added and for results to be released more quickly.

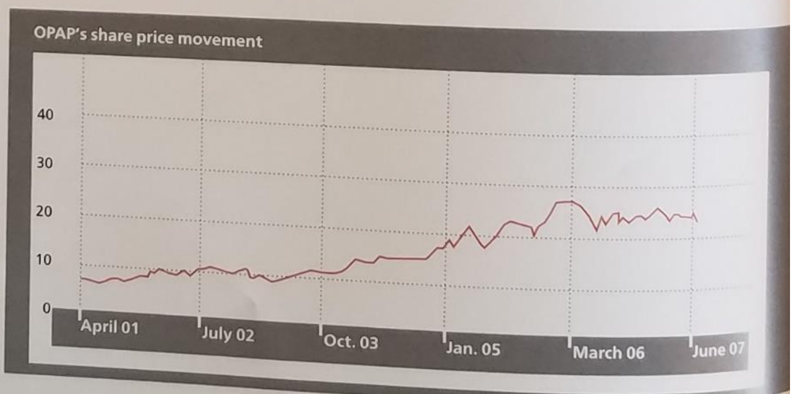
The online technology also made it possible for OPAP to more effectively and efficiently monitor and control its revenues; since then, OPAP has been able to monitor when and how payments from agents are received, as well as conduct credit checks to make sure that large debts are not developing. Making sure that this technology and accompanying infrastructure remain up-to-date is a high priority for OPAP, especially as information technology (IT) has become so crucial in today's gaming business.

Privatization brings prosperity for all concerned

Today, the State has only a 34 percent stake in OPAP, and the Initial Public Offering (IPO) in 2001, followed by additional public offerings in 2002, 2003, and 2005, have all served both OPAP and private investors well. Currently, institutional investors make up 52 percent of all of OPAP's investors, and OPAP is in the midst of its seventh year on the Athens Stock Exchange (ASE), where it is one of the most successful and profitable companies listed.

With a current capital of nearly 10 billion

"Institutional investors make up 52 percent of all of OPAP's investors, and OPAP is entering its seventh year on the Athens Stock Exchange (ASE), where it is one of the most successful and profitable companies listed."



Euros and operations both in Greece and Cyprus, OPAP enjoys the status of being one of the largest listed gaming companies in all of Europe. OPAP is hands-down the leading gaming company in Greece and its share price has significantly outperformed the ASE, beginning with the IPO in April 2001 and continuing with the additional offerings in 2002, 2003, and 2005. Due to its great success, OPAP has been asked to participate in a consultancy role with another lottery in Europe to introduce Kino in its country. According to CEO Basile Neiadas, "We are considering participation in international games, one on a multi-state lottery game and one on a sports-betting game. These propositions are being seriously examined by OPAP, together with another proposition to participate in another lottery game elsewhere in Europe."

OPAP's 2003 agreement with the Republic of Cyprus provided OPAP with the opportunity to begin operating on a commercial basis rather than as a non-profit, and consequently a fixed-odds betting company in Cyprus was acquired. OPAP has also completed several acquisitions in Cyprus that have provided both an inherent extension to the existing operations there and additional gaming expertise. In the process, OPAP has continued to evaluate opportunities to further diversify its operations through additional strategic international expansion.

"With a current capital of nearly 10 billion Euros and operations both in Greece and Cyprus, OPAP enjoys the status of being one of the largest listed gaming companies in all of Europe."

Games galore

Having purchased a 20-year monopolic license from the Greek State in 2000 for 323 million Euros, OPAP has been comfortably enjoying an average 18 percent per year increase in Greece's gaming market since 2002. Neiadas says, "The latest development with regards to our monopoly was a decision by the court in the case of Norway where it ruled once again that where the state holds a monopoly on gambling services national authorities have the right to ban games of chance from abroad, even if these are lawful in their state of origin. This is a very important development."

The gaming market includes much more than OPAP's games, encompassing horse race betting, scratch-off cards, the national lottery, and casinos. Nevertheless, OPAP's monopolic license gives the company the right to operate 11 games without competition; presently, it operates 10.

Each of the 10 games offered by OPAP is a numerical lottery or sports betting game, and its license gives it the right to introduce one more new numerical lottery game if it so chooses. OPAP also maintains the right to operate and manage any new sports betting games in Greece, as well as the right of first refusal to operate and manage any new games that may in the future be permitted and regulated by the Greek State. Sweet deal.

The seven current numerical games are Joker, Lotto, Proto, Extra 5, Super 3, Kino, and Bingo Lotto. Kino, which has been popular in the United States for years, was introduced to the Greek gaming market in November 2003, while Bingo Lotto was just instituted in early 2007 and is played through nationally televised draws. The sports betting games include Stihima for fixed-odds and PROPO and PROPO-goal for mutual betting.

"In 2006, revenues reached 4.5 billion Euros, up from 3.6 billion Euros in 2005."

Strategic planning pays off

OPAP manages to successfully offer 10 games without succumbing to cannibalism because different combinations of four factors are incorporated into the various games: knowledge, luck, mutual risk, and fixed-odds. Furthermore, in order to maintain the company's position as market leader in the Greek gaming industry, OPAP continuously invests in the development of new games, simultaneously redesigning existing games to

"OPAP announced that, in preparation for taking over and bringing in-house the risk management and operation of the Stihima game as of the end of January 2007, Intralot agreed to consult and transfer know-how to OPAP's actively-recruited sports betting experts."

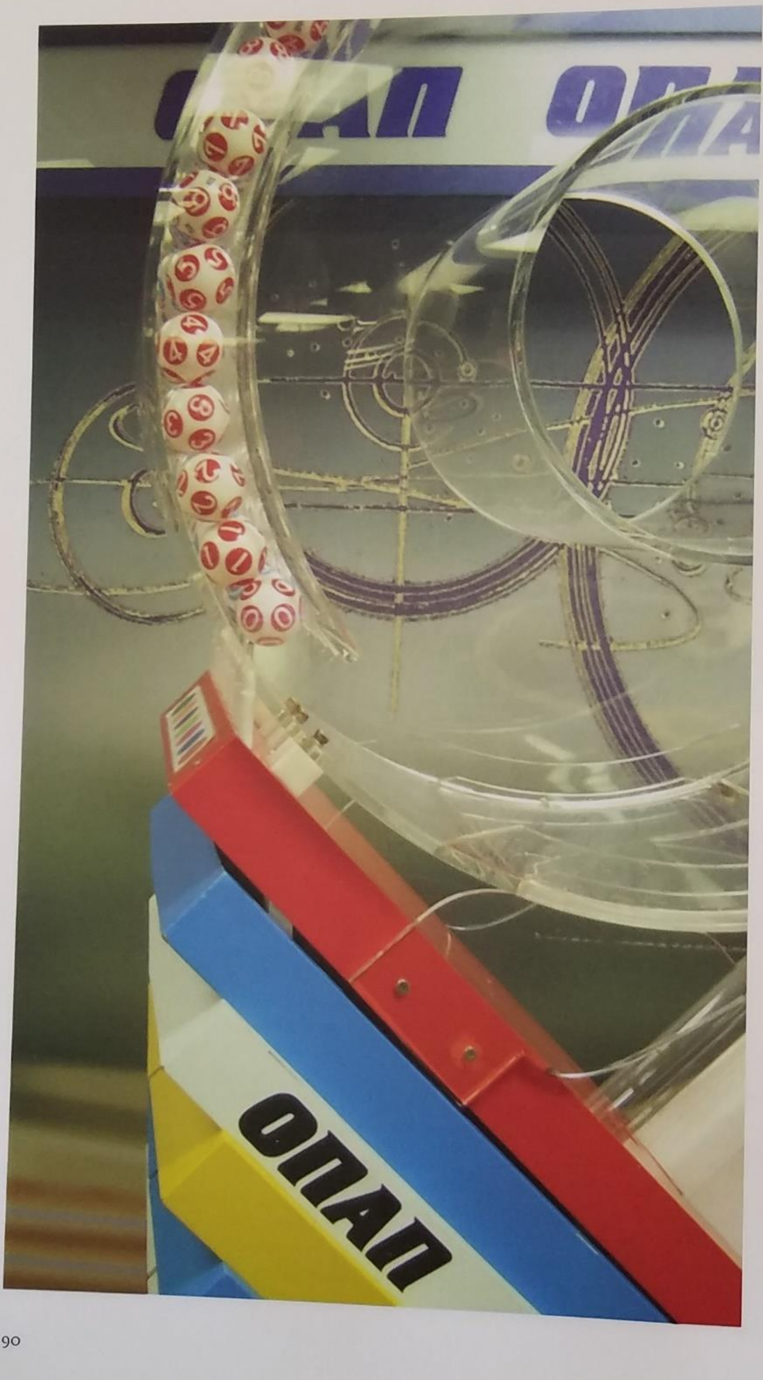
make them more attractive to its customers. Another strategy OPAP is examining involves taking steps to capitalize on the strength of its online network by providing commercial services to the general public. As the IT infrastructure is upgraded, there appears to be feasible support for potentially offering services such as paying utility bills and selling on-line tickets for various events.

In fact, thanks to OPAP's diligent monitoring of the Greek gaming market, it managed to revitalize one of its most popular games, Stihima, a usually popular game that was introduced seven years ago. The game was losing market share, seemingly due to an influx of illegal operators and a lack of new gaming options, so OPAP took actions in 2006 to revive it. The payout was increased, betting in more sports like water polo, the Tour de France, and Formula One racing commenced, the number of non-sport options one could bet on was raised (including the Oscars and the popular European EuroVision contest), live betting and "over-under" betting were launched, and Greek championship matches were finally introduced. This attack from many angles did the trick: these and other factors contributed to revenues from sports betting increasing by 77.3 percent in the first nine months of 2006 compared to those of the same time period in 2005. Indeed, one of the two highest-grossing games in 2006 was Stihima, the other being Kino.

Illegal gaming stealing customers

OPAP generally strives to appeal to a broad and ever-expanding customer base by offering games that target broader audiences. This is one of the ways OPAP seeks to regain the business it has lost through illegal gaming, another being through making plans to diversify its operations. As Internet, telephone, and digital television betting are not currently permitted in Greece, a huge arena of illegal gaming has developed in the market. Although steps are being taken to actively battle illegal gaming, there appear to be enough players interested in participating in it that they absorb all that is available to them through these avenues. Competition of this sort seems to be intensifying and may soon have more of a direct influence on OPAP's position in the Greek gaming market. For that reason, OPAP continues to battle the illegal gaming market from three angles: by making sure it offers attractive new games, making investments in tactical advertising, and filing legal charges against illegal operators and their advertisers in court. Simultaneously, OPAP is aggressively encouraging the Greek State to take further measures to crack down on illegal gambling. Over time, if electronic gaming is legalized in Greece, OPAP anticipates establishing a strong presence in the arena.

In October 2006 President Bush signed



into law the Safe Port Act which, among other things, prohibits gambling on Internet sites related to anything other than "fantasy sports," online lotteries, and horse racing. Through Title VIII of the act, commonly referred to as the Unlawful Internet Gambling Enforcement Act (UIGEA), credit card companies and money wire transfer services can be severely penalized if they do not actively block their customers from using their services to pay for online gambling. Internet gambling companies listed on various stock exchanges around the world immediately stopped accepting US-based customers, a move which significantly dropped their value overnight. The passing of this law was good news for companies like OPAP, as many investors who had been investing in the online branch of the gaming sector redirected their funds to OPAP and similar companies.

Independent agents, standardized agencies

The way OPAP's games are sold is through a distribution network of over 5,350 agents, all of whom are licensed to sell only OPAP's and the Greek State's gaming products and may not do otherwise without the explicit permission of OPAP. Agents receive a fixed percentage of revenue based on their actual sales and the percentage varies based on the game in question. For Stihima and Super 3 they receive eight percent of their actual sales, for Kino the percentage is seven percent, and for all other games it is 12 percent. While the agents are independent and operate their businesses on premises not owned by OPAP, their equipment is all supplied and subsidized by OPAP.

This year, 2007, OPAP will fully upgrade its agencies so their aesthetic and atmosphere is consistent. This is a much-needed upgrade of facilities, as the agencies have ranged from shabby to chic, depending on the neighborhood and the age of the facility. Having recently moved OPAP's headquarters into a nice, new building in Peristeri, its next refurbishment priority was the upgrading of the individual agencies. In keeping with its history of careful financial planning, OPAP's management team has allotted one percent of Kino's revenues specifically to finance this agency renewal project.

Risk management for sports betting moving in-house

Other perhaps more important structural and organizational changes are afoot at OPAP, as well. For example, OPAP had a seven-year contract with Intralot with an option to renew for three years. As compensation for the service it provided, Intralot took 10 percent of OPAP's revenues. Now, however, OPAP is bringing its risk management operations home. After successfully managing the completion of the first two phases of incorporating risk management operations at home during the first quarter of 2007, OPAP is confident that the third phase will be completed just as smoothly.

Risk management for OPAP involves selecting the sports, countries, leagues, teams, and matches to be offered for bets, and then picking the odds. The odds are how many times one's money betters are able to win. The next step involves watching out for game-fixing. This has become a significant matter of its own.

Recently Intralot made another deal with OPAP that means less income for Intralot from their partnership, but nevertheless assures it an ongoing relationship with the number one gaming organization in Greece. In November 2006 OPAP announced that, in preparation for taking over and bringing in-house the risk management and operation of the Stihima game as of the end of January 2007, Intralot agreed to consult and transfer know-how to OPAP's actively-recruited sports betting experts from Greece, the U.K., and Cyprus.

Henceforth, the entire technological infrastructure responsible for organizing, operating, and managing the Stihima game, possessed by Intralot for the past seven years, will be owned by OPAP. Technical support services and maintenance provisions will be supplied by Intralot, along with 3500 terminals to support all of OPAP's games. Perhaps the most valuable component of this agreement for OPAP, however, is the knowledge of the Greek gaming market and expertise Intralot will be providing. Intralot has agreed to supply this consultancy and installation service, in conjunction with the necessary technological infrastructure, for the bargain price of 65 million Euros, a fraction of the more than 650 million Euros it would likely have earned over the course of the next three years had it continued to manage OPAP's risk management operations for Stihima.

Gambling on garnering customers' interest, OPAP emerges triumphant

Paying Intralot 65 million Euros to bring Stihima's management in-house is a gamble OPAP is willing to make, anticipating that doing so will keep the company on course to reap the highest possible rewards for its shareholders. In 2006, revenues reached 4.5 billion Euros, up from 3.6 billion Euros in 2005. Net profits also rose to 501 million Euros, against 443 million Euros year-on-year, making investors happy with 1.57 Euros basic earnings per share, up from 1.39 the previous year.

These impressive results can be partly explained by three key factors:

(1) the ongoing success of the most profitable game in OPAP's stable, the Stihima game, which flourished during the World Cup in soccer,

(2) the introduction of Greek soccer matches in August 2006, and

(3) a marked improvement in Kino's performance in the third quarter.

Operating revenues for the three-month and twelve-month periods ended December 31, 2006 and 2005

(€' m)	Q4 06	Q4 05	%	2006	2005	%
Stihima	548.7	491.7	11.6%	2,283.0	1,438.0	58.7%
PROPO	19.1	22.2	-13.9%	64.7	79.3	-18.4%
PROPO-GOAL	0.4	0.3	9.2%	1.5	1.3	15.5%
Total Sports Betting	568.2	514.2	10.5%	2,349.2	1,518.9	54.7%
JOKER	95.5	67.5	41.4%	248.8	268.4	-7.3%
LOTTO	16.2	15.2	6.7%	54.2	58.2	-6.9%
PROTO	14.3	11.9	19.9%	48.7	44.7	9.1%
Extra 5	3.9	4.7	-17.2%	16.4	20.0	-18.2%
Super 3	16.1	17.1	-5.8%	65.7	70.0	-6.2%
KINO	545.2	465.2	17.2%	1,850.4	1,715.0	7.9%
Total Numerical Games	691.1	581.6	18.9%	2,284.2	2,176.3	5.0%
Total Revenues	1,259.4	1,095.8	14.9%	4,633.4	3,695.2	25.4%

"OPAP is one of only five Greek companies that have gone to the extent of developing an integrated CSR management system worthy of being certified by the International CSR Standard SA 8000."

Sharing the bounty

In addition to making money for its shareholders, OPAP has an extensive corporate social responsibility (CSR) program. OPAP sponsors a multitude of events and programs in athletics, culture, health, and education, in addition to subsidizing programs to support the rehabilitation of drug addicts and provide assistance to the physically handicapped. In its efforts to support cultural endeavors, OPAP provides funding to various museums, theatres, churches, conferences, and numerous civic events. Last but not least, educational endeavors are fostered through the company's regular contributions to institutions at every level of the educational system. In order to keep the public and the company's shareholders informed about its CSR activities and involvement, OPAP publishes an annual CSR report.

Recognizing the value of acting ethically and responsibly both within its own operations and in the community at large, OPAP is one of only five Greek companies that have gone to the extent of developing an integrated CSR management system worthy of being certified by the International CSR Standard SA 8000. The SA 8000 is a voluntary, universal standard available for companies interested in monitoring and certifying labor practices in both their own facilities and those of their suppliers. Developed by Social Accountability International (SAI), a non-profit affiliate of the Council on Economic Priorities (CEP), the SA 8000 offers companies the opportunity to be certified by a third party. OPAP's SA 8000 certification recognizes, above all, its commitment to and protection of its employees' rights.

Potential liberalization of Greek gaming market: a threat or an opportunity?

OPAP is on a roll. Currently, the biggest potential obstacle for OPAP is not the illegal gaming market, but the possible deregulation of gaming markets in Europe, including in Greece. When the European Union's (EU) European Parliamentary decided in February 2006 to exclude gambling activities – including lotteries, casinos, and betting transactions – from the EU Directive on Services in the Internal Market, the threat of this deregulation taking place was significantly reduced.

Should European deregulation of gaming markets turn out not to become an issue for OPAP in the near future, the main concern will be whether or not the Greek State will decide to honor the monopolic license OPAP bought in 2000. As OPAP has been so successful at home, however, it has been approached by many investors and gaming operators overseas with requests to establish similar gaming operations abroad or provide consulting. Thus, if the Greek gaming market was to open up and other licenses to operate were given, OPAP might lose some of its market share but a liberalized market might be a good incentive to expand beyond Greece's national borders.

The first direct challenge to OPAP's monopoly on the Greek gaming market has

come in the form of a request to the Greek Supreme Court to grant a betting license to Stanley Leisure, the largest casino operator in the U.K. The possibility of the Greek State forcing the issue of opening up the market seems slim, however, since it owns a 34 percent share in OPAP. Nevertheless, if Stanley Leisure were to receive a ruling in its favor, OPAP would surely appeal the decision, the process could be referred to the European Court of Justice, and the ruling would have no immediate impact on OPAP's position in the Greek gaming market. One of the clear concerns for OPAP and for the Greek State is that as both the regulator of the gaming market and a majority shareholder of OPAP, the Greek government has conflicting interests.

Some companies seem to be anticipating liberalization of the Greek gaming market, and in their expectation that it will become more open have begun to explore opportunities in the market. But OPAP is doing everything possible to stay ahead of the game and make sure it is a competitive player regardless of what changes may occur in the Greek gaming market as a whole. For example, OPAP's decision to bring the operation of Stihima in-house is a move that, while it may in fact lead to increased competition in the market, will actually give OPAP a competitive edge; simultaneously, however, this move will put OPAP at risk, for the first time in its history, of being impacted by the volatility of betting. Changes are unmistakably afoot in the Greek gaming market, but rather than relax on the sidelines waiting to see what happens OPAP is monitoring the trends and proactively setting its own course.

"The possibility of the Greek State forcing the issue of opening up the market seems slim, since it owns a 34 percent share in OPAP."

Health Care

Sector Overview:

In recent years, Greece's health care industry has undergone many changes. Acquisitions, mergers, and expansions abroad have dominated the health care landscape. As a result, powerful health care organizations offering a full range of diagnostic and treatment services have begun to dominate the domestic market.

Massive and rapid growth

Over the course of the past decade, the average annual health care industry growth rate was 12.7 percent. The amount of money spent on private health care in Greece now exceeds 1.3 million Euros. Of this amount, approximately 60 percent of that is spent on general clinics, 25 percent on diagnostic centers, and 15 percent on obstetrics.

Fragmentation

The domestic private health care market is highly fragmented, with the largest operator holding a share of approximately 15 percent of the total private market. Nevertheless, as in other sectors like the defense and energy industries, smaller companies are less competitive due to a lack of resources and expertise. Still, because there is a high demand for quality services, all the players so far surviving in the sector are stepping up their game and in many cases moving forward collaboratively.

Demographics shift

As Greece's aging and immigrant populations increase, the health care industry is experiencing a change in demand. And although large companies have expanded their network to include clinics throughout the country, there is still a low quality of service outside the regions of Athens and Thessaloniki.

Positive direction

There is presently one doctor for every 227 people in the public health sector, one of the best ratios in the European Union (EU). The primary causes of death continue to be cerebrovascular diseases, heart diseases, and cancers, so both public and private health providers are focusing much of their research and many of their services on preventative care in attempts to reduce and manage these.

National health care

Greece's National Health Service and national pharmaceuticals industry were introduced by the first PASOK government. During the early 1990s Nea Dimokratia tried to upgrade private medicine and incorporate it into the services offered in state-run hospitals. While the quality of public health care has improved and today about 14 percent of the national budget is devoted to funding it, private clinics still offer better facilities and access to services than state-run clinics. Nevertheless, all Greek citizens are eligible to receive treatment benefits through the National Health Service, which many Greeks claim as one of the greatest benefits of living in Greece.

Extending specialized health care throughout the Balkans

Athens Medical Centre S.A.

Athens Medical Centre S.A., one of the three largest medical and health services groups in all of Europe, focuses its attention on establishing and operating medical centers in Greece and other Balkan countries. Currently operating a center in Athens, a clinic in Palaio Faliro, a southern suburb of Athens, and a clinic in Thessaloniki, the company also acts as consultant to the Albanian Ministry of Health Services. Outside of Greece, Athens Medical Centre S.A. runs diagnostic centers in Bulgaria, the Czech Republic, Romania, and Russia.

"One of the company's current strategic priorities is to further enhance its growth rates abroad in order to capitalize on its excellent reputation in Greece's neighboring countries."

Exploring avenues for expansion

Founded in 1983, Athens Medical Centre S.A. has been listed on the Athens Stock Exchange (ASE) since 1991. One of the company's current strategic priorities is to further enhance its growth rates abroad in order to capitalize on its excellent reputation in Greece's neighboring countries.

In October of last year, German health care group Asklepios, the largest health care group in Europe, acquired an 8.33 percent stake in Athens Medical Centre S.A., the largest health care group in Greece and Southeastern Europe. This signified the beginning of an important alliance between the two companies, as its aim was to further strengthen the leading position of Athens Medical Centre S.A. in Greece's and Southeast Europe's health care sectors. With an annual turnover exceeding two billion Euros, Asklepios brings with it extensive knowledge regarding privatization projects, something that is particularly valuable to Athens Medical Centre S.A. as its management evaluates opportunities to penetrate other market segments including rehabilitation centers and maternity clinics.

Taking care of patients and shareholders alike

Euromedica S.A.

Founded in 1989 by a group of 65 medical doctors, the first Euromedica A.E. Medical Center occupied 400 square meters. Five years later, the company was listed on the Athens Stock Exchange (ASE), and rapid expansion of the company's facilities followed. Euromedica now holds the distinction of being the largest provider of primary and secondary health care services in Greece.

In 1996, Euromedica's first general hospital was acquired. Located in Thessaloniki, it was followed in 2000 by the company's acquisition of its first maternity hospital, also located in Thessaloniki. Today, Euromedica has grown into a private health care network with significant geographical dispersal by owning 37 medical units located in 10 urban areas throughout Greece, 12 of which are hospitals, 24 of which are medical centers, and one of which is a spa, wellness, and rehabilitation center. The company extends its reach by cooperating with 340 medical centers and more than 9500 doctors nationwide.

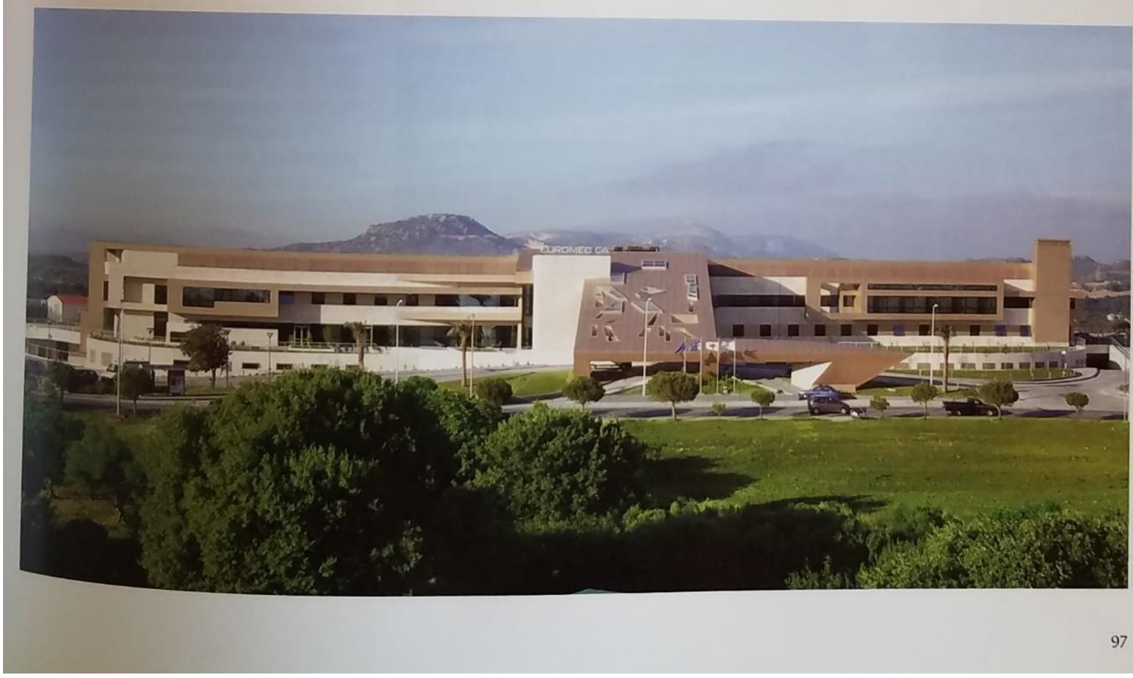
Progressive approach to patient care and profitability

Euromedica treats its patients using state-of-the-art medical equipment in modern buildings, and has become a leading player in the areas of preventative, diagnostic, and hospital services in Greece.

An innovator in the country's health care industry, the company has linked all of its medical centers and hospitals through an online network by using a customized management information system (MIS) which provides timely and comprehensive information regarding financial and operational matters.

The shareholder structure of Euromedica is such that the AXON Group holds 76.17 percent of the company's shares, while strategic investors hold 5.68 percent, institutional investors hold 7.86 percent, and retail investors hold 10.29 percent. In the first nine months of 2006, the company's turnover surpassed 114 million Euros, a 15.6 percent increase over the nearly 99 million Euros generated in the first nine months of 2005. In the same timeframe, Euromedica's EBITDA rose to slightly more than 19 million Euros, a 42.8 percent increase year-on-year.

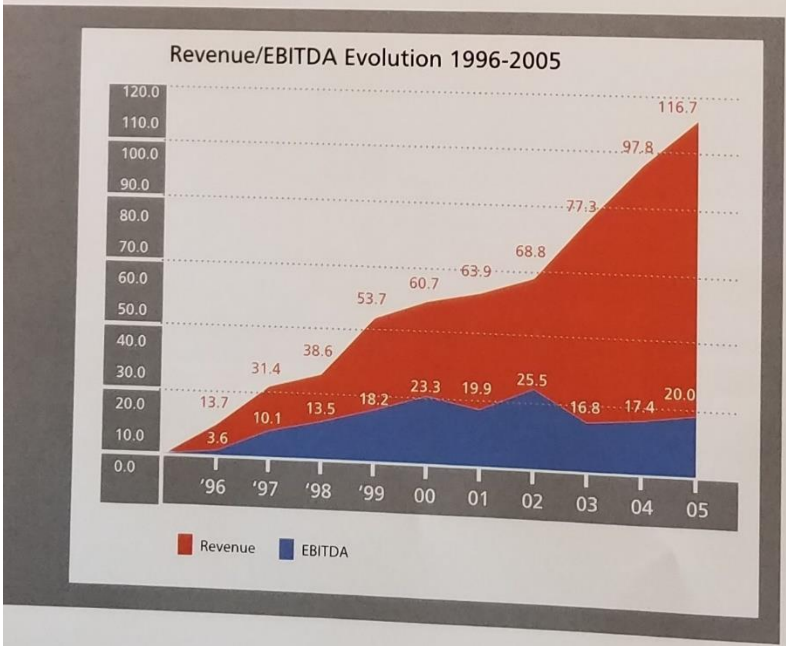
"Euromedica now holds the distinction of being the largest provider of primary and secondary health care services in Greece."



IASO Group

The IASO Group is committed to constantly upgrading its services, developing new methods, and cooperating with the best hospitals in the world; that is why the group's share of the Greek health care market has consistently increased the past four years, now exceeding 40 percent.

"One of the IASO Group's services that distinguishes it from its competitors is its operation of the technologically and scientifically best-equipped stem cell bank in Greece."



Standing out from the crowd

One of the IASO Group's services that distinguishes it from its competitors is its operation of the technologically and scientifically best-equipped stem cell bank in Greece. IASO's stem cell bank operates according to the guidelines and under the monitoring of Cryobanks International, one of the largest cord blood banks in the United States (US), and is accredited by the American Association of Blood Banks (AABB) and the US Food and Drugs Association (FDA).

Ever interested in offering the most technologically and scientifically advanced products and services, IASO Group has embarked on an investment plan to ensure that all its hospitals will offer a broad range of health services in strategically-selected locations throughout Greece. The plan will cost approximately 100 million Euros and will be completed by the end of 2009.

Established in 1996 and listed on the Athens Stock Exchange (ASE) in 2000, the IASO Group in the first nine months of 2006 achieved total assets of nearly 272 million Euros. The company credits much of its success to the fact that its business model is based on the idea that physicians, in addition to their crucial role in treating patients, are shareholders and hence important decision-makers.

Ygeia Hospital

Ygeia Hospital, standing 17 floors high and containing a total of 300 beds, is the largest private hospital in Greece. Each year, it receives more than 120,000 patients, its laboratories conduct more than 870,000 tests, and its doctors perform more than 11,000 surgical operations.

Founded in 1970 by a group of doctors interested in designing a private hospital that met with their high standards, Ygeia Hospital initially supplemented the services offered by the public hospital system. Over time, however, it earned a reputation for being one of the top hospitals in Greece, and is now regarded as one of the top hospitals internationally.

In a class of its own

One of the achievements that marked Ygeia Hospital's ascent into the upper echelon of hospitals worldwide was its successful completion of the first heart transplant in Greece. It was also the first hospital to effectively use laser technology in neurosurgery, and among the first to treat aneurisms of the aorta.

In 2002, Ygeia Hospital signed an agreement of cooperation with Harvard Medical International, a non-profit medical organization affiliated with Harvard University. Harvard Medical International selected Ygeia Hospital for this partnership because it deemed Ygeia a good candidate for taking a leadership role in the health care industry of Europe. Thanks to this collaboration, Ygeia Hospital has for the past four years enjoyed an upgrading of its services, constant training of its medical staff by professors of Harvard Medical School, strengthening of its research departments, and the creation of a jointly-operated medical school in Greece.

"One of the achievements that marked Ygeia Hospital's ascent into the upper echelon of hospitals worldwide was its successful completion of the first heart transplant in Greece."

Industrial Goods and Services

Sector Overview:

Greece's industrial goods and services market has been experiencing a lengthy upswing, beginning near the end of 2001, with the prices of base metals consistently increasing from 19 to 73 percent. For the past three years, a rise in the demand of metals worldwide and a simultaneous narrowing of the market has led to a reduction of the recorded reserves, in some cases historically so. This insufficient rise in total production of certain metals like copper and aluminum coupled with the growing global demand for them has also meant higher metals prices. Meanwhile, factors like fluctuating currency values, while not directly related to the sector, have assisted in boosting metals prices, as well.

Important mineral resources

Due to Greece's vast mineral resources the country's mining industry is significant, even if small. Two minerals: lignite, a source of energy in Greece, and bauxite, a raw material needed for aluminum production, are both found abundantly in Greece. Bauxite has been among the most important of Greece's commodities. Metallic ore mining accounts for only about one percent of the GDP and is concentrated in the hands of a few private companies. Quarry production, meanwhile, is divided among many small companies.

Vertical integration

The industrial production growth rate in 2006 was approximately two percent. Primarily large, capital-intensive, often vertically-integrated companies were the beneficiaries of the majority of the growth in the sector, engaged as they were in both mining and metallurgical processing. Northern Greece has received the most attention in terms of exploration activities, as it has been thought to contain the most significant quantities of exploitable mineral resources. In 2005, about 50 percent of Greece's mineral production was exported.

A case study: Larco's success

Larco G.M.M. S.A. (Larco) is a Greek company mining letrite and operating a ferronickel plant in Larymna. It has been the sole manufacturer of ferronickel in the European Union (EU), enjoying the fiscal rewards that come with holding a monopoly. Greece as a whole has been a leading producer of bauxite, magnesite, nickel, and perlite in the EU.

Extracting more than metal

Alumil Group

One of the leading aluminum manufacturers and providers in Southeastern Europe, Alumil Group has consistently increased its volumes and expanded its portfolio with modern, high-value-added products. With 25 subsidiaries operating throughout Africa, Europe, and the Middle East, Alumil has successfully penetrated 45 markets in Europe, the Middle East, and the US. Ranked among the largest private aluminum extracting and producing companies in Europe, Alumil has been holding the leading position in Greece since 2000.

"With 25 subsidiaries operating throughout Africa, Europe, and the Middle East, Alumil has successfully penetrated 45 markets in Europe, the Middle East, and the US."

Penetrating growing markets

Thanks in large part to Alumil's expansion strategy in the Balkans, Egypt, the Persian Gulf area, and Western Europe, the company continued to see spectacular growth in sales and net earnings in 2006, despite considerable price fluctuations in the aluminum market at large. During the first nine months of 2006, Alumil's turnover rose 25 percent over that of 2005 to 172.8 million Euros, and the company's net earnings jumped 88 percent year-on-year, reaching 10.27 million Euros.

The group also enjoyed a very successful IPO for Romanian subsidiary ALUMIL ROM in December 2006. An oversubscription rate of 16.47 times was achieved, giving the company the distinction of surpassing any previous IPO on the Bucharest Stock Exchange (BSE). Nearly 103 million shares were subscribed, amounting to more than 139 million Euros in proceeds.

Since 1988, the group's parent company, Alumil Industry S.A., has been listed on the Athens Stock Exchange (ASE). It has been featured seven times in Growth Plus's "Europe's 500" list, and is constantly striving to further expand and improve its product line and reach. In 2006, the group invested in excess of 20 million Euros in purchasing warehouses in the Balkans and upgrading its production lines in Greece. There seems to be no stopping the Alumil Group, which is on its way to soon becoming the indisputable European leader in the aluminum industry.

A force to be reckoned with in the steel industry

Halyvourgiki Inc.

"Thanks to the last phase of the 220 million Euro investment program being completed in 2006, the company now employs the most modern technology in the field of steel production, not only domestically but worldwide."

Although Halyvourgiki's story began in 1925, the company prides itself on trading and manufacturing products made of a metal that has been well-known as a powerful force in Greece since ancient times. Today, the company is among those reaping substantial rewards due to the massive demand of the international steel and iron ore markets. Beginning in April 2006, prices for 12-month iron ore supply contracts rose 19 percent, while the previous year saw them rise 70 percent. Halyvourgiki Inc. expects and is preparing for the escalating demand to continue, increasing its output from one million tons in 2006 to 1.2 million tons in 2007.

Continuously blazing trails

Taking well-timed risks in the interests of expanding their supply to customers and improving their product line is old hat to Halyvourgiki Inc. In 1961, the company implemented a fully-integrated steel plant, a plant whose construction included the foundation of the first blast furnace in Greece to allow the production of hot metal from iron ore. In 1994, it became the first Greek company to obtain a Certificate of Conformity from the Hellenic Organization for Standardization (ELOT) for its production of steel bars used in the reinforcement of concrete.

Consistently ranked among the top five companies in basic metals based on total assets, Halyvourgiki Inc.'s assets exceeded 396 million Euros in 2004. That same year, the company's turnover surpassed 122 million Euros, while its profits of 4.1 million Euros more than doubled those of 2003.

Since 2002, Halyvougiki Inc. has been benefitting from a 220 million Euro investment to upgrade its production process. Thanks to the last phase of the investment program being completed in 2006, the company now employs the most modern technology in the field of steel production, not only domestically but worldwide. This state-of-the-art technology contributes to the company remaining an industry leader in competitiveness, flexibility, and respect for the environment.

Making packaging the priority

M.J. Maillis Group

The M.J. Maillis Group, founded in 1968, has evolved from a privately-owned company into a multinational industrial corporation during the past four decades. Involved in the manufacture and distribution of packaging materials and machines for industrial use, the M.J. Maillis Group offers complete solutions to meet its customers' range of packaging needs. This includes strapping, wrapping and taping packaging material, strapping tools and machines, wrapping, shrinking and carton sealing machines, and special bands. Its product line covers both the heavy-duty and light packaging markets and serves all industrial applications.

"Operating in more than 52 countries worldwide through a network of 31 subsidiaries and more than 350 independent distributors, the M.J. Maillis Group is an indisputable leader in the international industrial sector."

Packaging the world

Operating in more than 52 countries worldwide through a network of 31 subsidiaries and more than 350 independent distributors, the M.J. Maillis Group is an indisputable leader in the international industrial sector. The group is constantly at the forefront of technological developments in the machinery and methods used to secure and protect items of all kinds and loads of all sizes, with ease of operation and low costs a priority at all times. The company has experienced success by combining a vertically-integrated production strategy with organic growth and strategic acquisitions.

In November 2006, in a move to tap the vast Asian market, the M.J. Maillis Group announced the formation of a joint venture with Strong Strap Private Ltd. to produce PET strap in India and to promote the full range of the company's other products. Soon thereafter, in March of this year, the company acknowledged that it had finalized the establishment of M.J. Maillis Systems Srl. in Italy, a new company owned in its entirety by one of the group's subsidiaries, Europack S.A. This new company is undertaking the production of automatic wrapping machines and systems, a product range with high growth opportunities in which the group places great importance.

Listed on the Athens Stock Exchange (ASE) since 1994, M.J. Maillis S.A., the parent company of the M.J. Maillis Group, achieved turnover of nearly 142 million Euros in 2006, more than one-third of the group's consolidated turnover of 371.3 million Euros.

Leading the competition in plastic hoses and pipes

A.G. Petzetakis S.A.

Founded in 1960 and listed on the Athens Stock Exchange (ASE) in 1973, the Petzetakis Group's parent company, A.G. Petzetakis S.A., is no newcomer to the international industrial sector. In fact, in 1969 the company became the first-ever Greek-based multinational company by expanding its operations into Portugal through what is today Heliflex Petzetakis Tubos, the leader in the local flexible hose market.

A leader on two continents

The largest producer of plastic pipes, hoses, and fittings in Greece, A.G. Petzetakis S.A. presently operates seven production sites in Europe and South Africa, has 16 affiliate companies in 10 countries, and trades its products in more than 80 countries worldwide.

In 2006, A.G. Petzetakis S.A. entered into a memorandum of understanding to sell its plastic pipes and fittings business in Greece to Wavin B.V. for approximately 49 million Euros. This divestiture will significantly strengthen the company's balance sheet and increase its financial stability, while giving it room to focus on the two areas in which it currently leads the market: Europe's hoses business and South Africa's hoses and pipes business.

"A.G. Petzetakis S.A. is the largest producer of plastic pipes, hoses, and fittings in Greece."

A force to be reckoned with in the industrial world

Mytilineos Holdings S.A.

Today one of the largest international industrial groups, Mytilineos Holdings S.A. operates within the metallurgy, energy, and defense sectors. Focusing its activities on heavy-duty industrial production and distribution, the company is committed to perpetual growth and progress in the international arena. It is already among the most powerful vertically-integrated producers of base metals in Northeastern Europe, but as it expands into other areas it is becoming a viable player in other markets, as well.
Founded in 1990 and listed on the Athens Stock Exchange (ASE) five years later, Mytilineos Holdings S.A. signed several strategic agreements and made numerous tactical acquisitions in Southeast Europe in the 1990s to help it reach a prominent position internationally early on in its history. Although the company's activities are still predominantly concentrated in the areas of metal trading, mining, and metallurgy, it is rapidly and deliberately extending its reach into the dynamic energy sector.

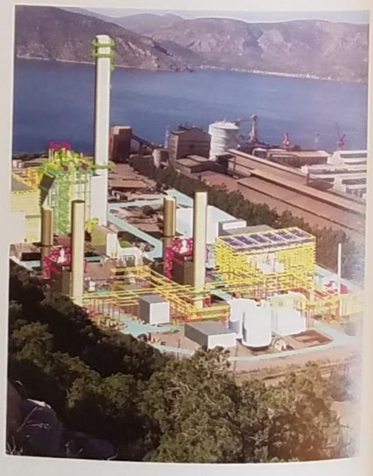
"In addition to making tactical acquisitive and alliance-building moves in 2006, the company enjoyed sales in excess of 843 million Euros and net profits of nearly 157 million Euros."

Successive strategic developments solidify an already-strong position

Indeed, in January of this year Mytilineos Holdings S.A. announced that one of its listed subsidiaries, Metka EPC, signed a contract with The Karachi Electric Supply Corporation Ltd. (KESC) of Pakistan to construct and operate a 220MW power plant in Karachi. If the project is successful, the company may take on other similar projects in the area, where the supply of electric power to the region's 160 million residents does not currently exceed 60 percent. Some estimates suggest that within the next decade 15,500 MW will be added to the existing national grid, and 9,500 MW may be provided via natural gas. Metka's plant will use natural gas and possibly petroleum, and is valued at 110 million Euros.
Additionally, in February 2007 the company announced that Metka would build a new power station in Southern Greece. The construction of said power plant will make the company responsible for generating approximately 10 percent of the total annual consumption of electricity in Greece and about 35 percent of that in the greater Athens area. It is anticipated that this new power center with its total capacity of 742 MW will stabilize the electricity network of Southern Greece and significantly diminish the likelihood of blackouts.

An intelligent growth strategy

The year preceding this important decision was also a year of momentous development and growth for Mytilineos Holdings S.A. In 2006, the company fully consolidated Aluminum of Greece S.A., acquired Delta Project S.A., and established a strategic alliance with Alstom, thereby augmenting its presence in the renewable energy market while strengthening its position in the metallurgy and mining markets.
In addition to making tactical acquisitive and alliance-building moves in 2006, the company enjoyed sales in excess of 843 million Euros and net profits of nearly 157 million Euros. EBITDA was approximately 188 million Euros for the year, while total assets exceeded 1.3 billion Euros. Yes, 2006 was undeniably a landmark year for Mytilineos Holdings S.A.



Forging ahead in the global steel sector

Sidenor Group

A vertically integrated group of companies comprised of mini-mills and pipe plants focused on the production and distribution of steel products, Sidenor S.A., founded in 1962, constitutes the steel production and trading branch of the Viohalco Group of companies. Today, Sidenor is a group of companies with a multitude of subsidiaries, all dealing in the production and sale of steel products.

Consistently keeping a competitive edge

The Sidenor Group constantly expands and upgrades its organizational and operational systems. Over the course of the last eight years, the Sidenor Group has invested 450 million Euros in upgrading equipment, reducing costs, enhancing product quality, and expanding the company's product range both in Greece and abroad. These investments have resulted in improvement of both the company's output rate and production cost effectiveness, making Sidenor S.A. one of the largest and most efficient steel manufacturers in the region.

Sales in Greece accounted for 49.1 percent of the Sidenor Group's sales in 2006; sales to the rest of Europe accounted for 34.3 percent, and 16.6 percent of the company's sales came from outside Europe. In 2006, the Sidenor Group achieved 1,228 million Euros in consolidated sales and 219.6 million Euros in EBITDA.

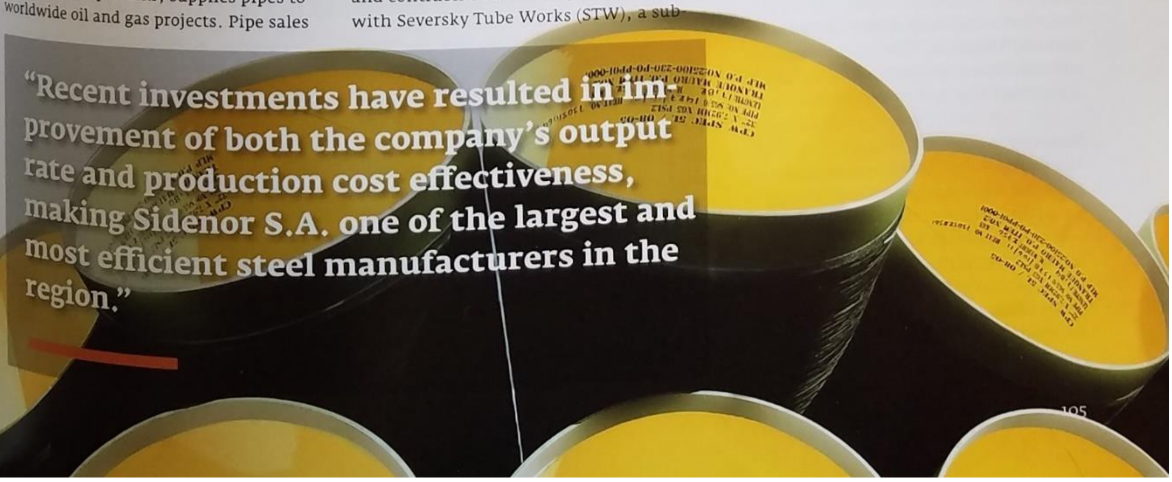
The Sidenor Group, through its subsidiary Corinth Pipeworks, supplies pipes to worldwide oil and gas projects. Pipe sales reached 319.4 million Euros in 2006, a 22.4 percent increase over pipe sales in 2005. With an installed production capacity of more than 3500 KMT per year in liquid steel, approximately 3000 KMT per year in long rolled products, and about 400 KMT per year in plates, Sidenor S.A. is the largest producer of steel long products based on capacity in both Greece and the Balkans. Furthermore, on top of its other competitive advantages like geographical location of its modern facilities, Sidenor S.A. offers one of the most attractive steel product portfolios in the world.

Through its new subsidiary Dojran Steel Ltd in FYROM, the Sidenor Group aims to fulfill FYROM, Kosovo, and Albania's ever-increasing steel construction product needs. Solidifying and increasing its leading position in the Greek steel construction product market will be largely based on the Sidenor Group's belief in strong customer relationships. As it has moved into the global arena, the company has not sacrificed this aspect of its business culture. This is why the group's facilities are designed in order to be capable of shifting the company's product mix, thus permitting the company to better serve its current markets and meet existing and future customers' needs.

Global Partnerships

In the process of developing itself as a global player, Corinth Pipeworks S.A. entered into some important agreements and contracts in 2006. In partnership with Seversky Tube Works (STW), a subsidiary of TMK Steel, Corinth Pipeworks formed a joint venture in Russia under the name TMK-CPW. Through this joint venture, pipes used primarily in the oil and gas industry and hollow sections used in construction industry will be manufactured, with production expected to begin in the second quarter of 2007. Important contracts secured by Corinth Pipeworks include the ones with Cheniere Creole Trail Pipeline and Duke Energy Corporation to produce and supply pipes for use in a natural gas pipeline in Louisiana and the Southeastern United States, respectively. Indeed, Corinth Pipeworks has made a remarkable turnaround, from incurring substantial losses before 2004 when it was acquired by the Sidenor Group to generating substantial profits in 2006.

As the Sidenor Group continues to increase its market share in the rapidly emerging Balkan markets while reinforcing its home market position, it is inevitably laying the foundation for sustained domestic and international growth. With Sidenor S.A. experiencing a 9.4 percent increase in global production in the first three quarters of 2006, Corinth Pipeworks developing so rapidly into one of the world leaders in its sector, acquisitions of other companies in the region like Stomana Industry S.A. in Bulgaria, and contracts with some of the largest oil and gas distributors in the United States, the outlook for the Sidenor Group can be seen as undoubtedly positive.



"Recent investments have resulted in improvement of both the company's output rate and production cost effectiveness, making Sidenor S.A. one of the largest and most efficient steel manufacturers in the region."

Providing cables for every need and multinational specification

Hellenic Cables S.A.

Incorporated as a public limited company in 1973 after 23 years as part of the Viohalco Group, Hellenic Cables has seen rapid growth in the past 34 years. A subsidiary of Halcor, which is itself a subsidiary of Viohalco, Hellenic Cables S.A.'s management decisions and company direction are thoroughly independent. Nevertheless, according to Dr. Periklis Sapountzis, General Manager of Hellenic Cables, "Being a member of such an important group as Viohalco contributed in know-how, distribution networks, and stronger position in terms of negotiating financing and purchasing issues."

"We consider a major strength of Hellenic Cables the fact that it operates two cable plants in the Balkans, which is an area of current and future growth."

Dr. Periklis Sapountzis, General Manager of Hellenic Cables

Actively innovating

Hellenic Cables has consistently sought out opportunities to provide the latest technology to its customers. For example, in 2002 the company signed an agreement with Japan's Furukawa Electric to acquire the knowledge necessary for producing High-Voltage (HV) and Extra High Voltage (EHV) cables. Additionally, it initiated production and delivery of cables with low smoke and fire-resistant properties that meet strict safety standards before such cables began to be required for the construction of airports, tunnels, and metro systems worldwide. And after identifying that future energy demands would be met to a great extent by renewable sources, Hellenic Cables started designing and producing special cables for wind farm applications.

Acquiring Telecables S.A., a telephone cable production company in Greece; Icme Ecab S.A., a power cable production company in Romania; and Lesco Bulgaria, a company producing wood for packaging materials, has provided Hellenic Cables S.A. with the opportunity to sell and distribute its products to consumers both in Greece and abroad. These acquisitions have also made it possible for the company to increase its production base by enjoying Romania and Bulgaria's low labor costs and high growth potentials. Sapountzis says, "Icme Ecab is considered a strategic investment for Hellenic Cables. Since its acquisition in 1999 we have consistently been investing in the Romanian plant in an effort to modernize its equipment and increase capacity. We consider a major strength of Hellenic Cables the fact that it operates two cable plants in the Balkans, which is an area of current and future growth."

Firing up the furnaces to fuel group growth

Viohalco Group

Established in 1937 and listed on the Athens Stock Exchange (ASE) a decade later, Viohalco S.A. is the parent company of the Viohalco Group, the largest metal processing group of companies in Greece and one of the country's largest industrial groups full-stop. Other companies in the Viohalco Group listed on the ASE include Corinth Pipeworks, Elval, Etem, Halcor, Hellenic Cables, and Sidenor, all of which are competitive in their sectors.

"Viohalco S.A. is the parent company of the Viohalco Group, the largest metal processing group of companies in Greece and one of the country's largest industrial groups full-stop."

Strength in numbers

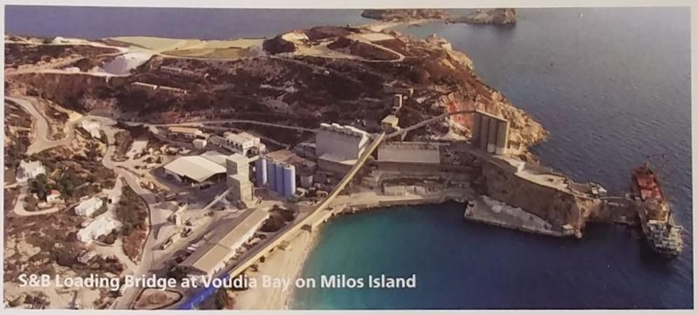
The Viohalco Group had a great year overall in 2006, despite some disappointing losses for Viohalco S.A. The group's turnover was 2.4 billion Euros the first nine months of 2006, jumping from 1.7 billion Euros generated in the first three quarters of 2005. Meanwhile, the group's nine month net profits more than quadrupled, leaping from 30.6 million Euros in 2005 to 129.9 million Euros in 2006.

The group's companies specialize in the production of aluminum, copper, and steel goods, with production facilities in Bulgaria, Greece, Romania, and the United Kingdom. The companies' collective products are distributed in more than 60 countries worldwide, and comprise approximately seven percent of Greece's total exports. In fact, the turnover generated through sales abroad exceeds that generated domestically.

Mining its way into a worldwide leadership position

S&B Industrial Minerals S.A.

S&B Industrial Minerals S.A. is the mother company of a multinational group of companies whose core activities are focused on mining, processing, and trading industrial minerals and ores, a very competitive and booming sector internationally these days. With an already-established presence in more than 20 countries worldwide, the company engages in operations on five continents through its subsidiaries and affiliated companies, selling its products to more than 60 countries worldwide. More than three-quarters of the company's turnover comes from its activities in the industrial minerals and is a source of constant strengthening of its balance sheet.


S&B Loading Bridge at Voudia Bay on Milos Island

"S&B Industrial Minerals envisions becoming one of the leading companies in the global industrial minerals arena, whether by enhancing the values of its existing businesses, expanding geographically in new promising areas, or broadening its portfolio of materials and applications."

Expanding its horizons

Established in 1934 and listed 60 years later on the Athens Exchange (ASE), S&B Industrial Minerals S.A. is a company committed to growing and adapting to shifts in the market. For example, in 2004 the company acquired Stollberg, a multinational group with production facilities in seven countries from Brazil to Korea and a global market leader in the production of continuous casting fluxes for the steel industry. Also, in December 2006 S&B announced the signing of a definitive agreement for the acquisition of 50 percent stake in CEBO, the leading European supplier of industrial minerals (mainly bentonite and barite), chemicals, and services to the North Sea oil and gas industry and other industrial markets in Europe.
In addition to its industrial minerals activities, S&B has also developed commercial activities through its affiliates. Ergotrak S.A.'s representation includes construction and material-handling equipment, diesel engines, and power generators from Case, Linde, and Cummins in Greece and neighboring Balkan countries. Motodynamics S.A. is the exclusive distributor of, among other things, Yamaha two-wheelers and marine products in Greece, Bulgaria, and Romania. Listed independently in the parallel market of the ASE since 2005, Motodynamics S.A. experienced an 18 percent increase in sales over 2005, contributing more than 17 percent of the group's annual sales.

Reaping what it sows

S&B Industrial Minerals S.A. envisions becoming one of the leading companies in the global industrial minerals arena, whether by enhancing the values of its existing businesses, expanding geographically in new promising areas, or broadening its portfolio of materials and applications. The company is now a leader in multiple areas in which it is active. It holds the prized position of being the number one producer of bauxite in the Europian Union (EU), bentonite in Europe, and both casting fluxes and raw graded perlite worldwide.
The company is a leader in another important area, as well: taking actions to offset the impact of its activities on the environment. For more than 25 years, S&B Industrial Minerals S.A. has taken noteworthy steps to effectively restore the areas it mines. The company invests more than 2.5 million Euros annually in environmental protection and restoration projects and each year grows in excess of 100,000 plants through its company-owned plant nurseries.
While S&B Industrial Minerals S.A. is concerned with being responsible environmentally, it is also interested in generating the best possible profit margin. The group's sales and EBITDA have more than tripled in the last 10 years, reaching 455.60 million Euros and 66.13 million Euros respectively in 2006.

Pharmaceuticals, Chemicals, and Cosmetics

Sector Overview:

In 2006, the price cut for off-patent branded drugs in an effort to save money and promote the generics sector had a negative impact on the profitability of Greece's pharmaceutical market. Current predictions suggest the market will reach $6.9 billion in 2010, whereas before the price cuts predictions valued the 2010 market closer to $7.6 billion. The Greek pharmaceutical industry also evoked criticism from drugmakers in 2006 when it published its pricing bulletin four months late.

A run for influenza vaccines

Greek pharmacies faced the same trouble as their counterparts in many other European countries in October 2006: they began to run out of the influenza vaccine. Manufacturing shortfalls coupled with high demand, primarily due to fears of an avian flu pandemic, caused the shortage, leading pharmacists to request that consumers refrain from buying the vaccine unless they were in a high-risk group such as the elderly, the asthmatic, or the immunocompromised.

Creating the fuel of the future

Hydrogen, a chemical that has great energy but does not create exhaust emissions, is widely seen as the fuel of the future. Through a program called Hydrosol, researchers from Greece's Laboratory of Aerosol and Particle Technology (LAPT) located at the Center for Research and Technology Hellas (CERTH) is currently working with its international partners to produce hydrogen from steam with the help of solar energy. In March 2007, the research group won the European Commission's Descartes Award for Research for this innovative and revolutionary research.

Cosmetics for an aging population

Aimed primarily at the female consumer, the largest segment of the Greek cosmetics market is reflected in hair care products. More than 40 percent of the annual turnover in the sector is attributed to hair care products, while more than a third of the market is attributed to sales of skin care products; surprisingly, makeup only accounts for approximately 10 percent of sales annually. A continuously increasing standard of living has likely been responsible for impressive annual growth of more than 15 percent in the cosmetics industry. While there are more than 200 companies actively involved in the Greek cosmetics sector, only a handful of them account for more than half of the industry's total annual sales.

Genesis Pharma

Genesis Pharma S.A. is only a decade old yet has established a strong presence throughout Southeastern Europe in that time. Before the company was incorporated its management predicted long-term potential in biotechnology-derived pharmaceutical products and made sure it was the first Greek company to focus on in-licensing, as well as the marketing and distribution of specialized products emerging from biotechnology research. The company is a leader in these two areas in both Greece and Cyprus and has exclusive marketing agreements with some of the principal developers of cellular and molecular technology.

Lavipharm

Involved in the pharmaceuticals, cosmetics, and consumer health products markets for nearly a century already, Lavipharm is now the largest integrated Greek group of companies in the sector, developing, manufacturing, marketing, and distributing its products internationally. The first company to sell cosmetics through pharmacies in

Greece, Lavipharm cooperates with well-known companies throughout the world like L'Oreal and GlaxoSmithKline and is listed on the ASE. It is also a pioneer in the realm of research and development in its market and has operations in Greece, Cyprus, France, and the United States (US).

Sarantis

The Sarantis Group is a leading multinational organization specializing in the manufacturing and distributing of consumer goods internationally. One of the first companies to enter the Balkan market in 1995, it maintains a strong presence throughout Eastern and Southeastern Europe and is listed on the Athens Stock Exchange (ASE). Sarantis is one of Greece's leading producers of mass market cosmetics and household products and through strategic alliances like its 2002 joint venture with Estee Lauder it has also become one of Greece's leaders in the luxury cosmetics market.

Vianex

At the top of the Greek pharmaceuticals industry for many years, Vianex is no new entry to the sector and has been importing pharmaceutical products from throughout Europe and the US for decades. Nevertheless, it continues to be a pioneering and creative force in the industry. It has forged partnerships with renowned companies such as Merck & Co., Bristol-Myers Squibb, and Boehringer. In 2006 the company achieved net sales of 286.1 million Euros, a significant increase over its 2005 net sales of 249.7 million Euros.

Nature's wisdom is bountiful

Apivita

Apivita derives from the Latin words "apis" (bee) and "vita" (life), which perfectly reflect the company's philosophy. Greece's leading natural skin, hair, and body care company, Apivita has been delighting Greek consumers with its nature-inspired products and award-winning, environmentally-considerate packaging since 1979.

"Apivita enjoys about a 40 percent market share in hair care products, as well as organic sales growth of approximately 25 percent per annum."

Taking its cues from nature

The company's research and development team consists of scientists who study Greek plants and herbs during the plants' cultivation process and exploit their pharmaceutical properties to create beneficial and effective natural products. All products are then tested clinically and dermatologically on human subjects for safety and efficacy in accredited laboratories before ever making their way to the market.

Apivita enjoys about a 40 percent market share in hair care products, as well as organic sales growth of approximately 25 percent per annum. Distributed through more than 4000 pharmacies throughout Greece, Apivita recently decided to up the ante and open its flagship store in the upscale Kolonaki neighborhood of Athens. Its products are also sold through thousands of department stores and specialty stores throughout Europe, Asia, Australia, the Middle East, and North America.

The celebrities' choice

Korres Natural Products

"Featured in top European and US magazines like Marie Claire and Vogue, Korres products have become very popular very quickly among the jet set."

Korres Natural Products prides itself on producing naturally-derived, high-quality, aesthetically-pleasing, clinically-tested, reasonably-priced products. Exclusively distributed through pharmacies in Greece, and both leading department stores and Korres Natural Products own stores abroad, the company's skin and hair care products now exceed 300 in number. Founded in 1996, the company has so far established seven Korres Natural Products stores and is due to open another three by June of this year in New York, Beijing, and Glasgow, the second flagship for the UK. Featured in top European and US magazines like Marie Claire and Vogue, Korres Natural Products has become very popular very quickly among the jet set. Stars like Cameron Diaz, Naomi Campbell, Charlize Theron, and even David Beckham have claimed the company's products among their favorites, turning Korres Natural Products into "must-haves" for the brand-conscious consumer.

With turnover at 17.1 million Euros in 2005, up from 14.8 million Euros in 2004, and EBITDA increasing from 3.0 million Euros in 2004 to 3.2 million Euros in 2005, Korres has clearly designed an effective equation for its company's success. Further proof of this is the fact that the company managed to maintain 2004's net profits of 1.1 million Euros in 2005, despite extensive investments in international expansion.

Bold moves in the Greek chemical sector result in rapid growth regionally

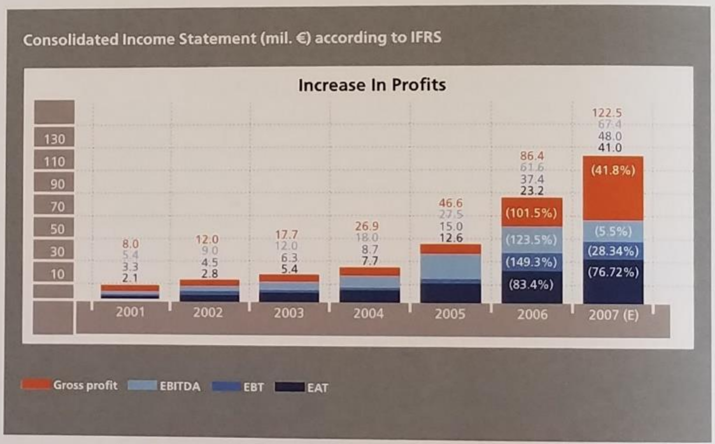
Neochimiki L.V. Lavrentiadis S.A.

Making moves that completely contradict trends in the chemical sector of Greece and Southeastern Europe, Neochimiki has bought when others sold, built when others demolished, invested and modernized when others neglected and divested, and produced when others outsourced. Over the last decade, as most of the biggest multinationals in the chemical sector have moved their production sites to countries like China and India, Neochimiki has been one of the few chemical production and distribution companies to continue to build in Europe. This unusual and unpopular strategy has proved successful for Neochimiki, a company originally run as a family business and now dynamically headed by Lavrentis Lavrentiadis, winner of the first-ever Greek Ernst & Young Entrepreneur of the Year award in 2006.

Decisive leadership delivers remarkable growth

One market trend Neochimiki has chosen to follow is that of acquisition and consolidation. Acquiring Interkem Hellas S.A. in 2006, Neochimiki expanded its operations by adding a powder-coating unit to its company. In 2006, Neochimiki experienced an astounding 112 percent increase in sales year-on-year, leaping from 142.5 million Euros in 2005 to 302 million Euros. Simultaneously, the company's EBITDA increased an astonishing 123.5 percent, jumping from 27.5 million Euros in 2005 to 61.6 million Euros in 2006.

Neochimiki controls an overall seven percent share of the five-billion-Euro Greek chemical market, amounting to 350 million Euros. Of the 15 billion Euro-strong Eastern European chemical market it controls a one percent share, making expansion in the Eastern chemical market one of Neochimiki's primary goals for the next five years through 2011. Indeed, in April 2007 the company was selected as the top bidder for 70 percent ownership of Serbia's Rafinerija Nafte Beograd, and while its base remains in Greece its activities are rapidly expanding into Bulgaria, Cyprus, Romania, and Serbia.



"Neochimiki controls an overall seven percent share of the five-billion-Euro Greek chemical market, amounting to 350 million Euros."

Greek Leaders speaks with

Lavrentis Lavrentiadis, Chairman and CEO of Neochimiki L.V. Lavrentiadis S.A.

"As long as Greece maintains an active position in the global scene, the majority of chemical products used in Europe will come from Neochimiki."

How will you complete your strong expansion plan without jeopardizing your company's profitability and long-term stability?

Neochimiki has been quite active when it comes to consolidations within the chemical sector in Greece, as well as in Southeastern Europe. We have a strong shareholders base, more than 60 percent of which are institutional investors coming mostly from Europe. These strong long-term institutional investors are willing to invest in us as long as we can provide a solid return on their investment. Over the last 12 months we have raised more than 100 million Euros, which means Neochimiki now has equity of more than 200 million Euros and a debt-equity ratio of less than one. Our big success is maintaining an annual growth rate of more than 80 percent over the last five years, while managing to keep the same gross net margin as we had five years ago when Neochimiki was making only thirty million Euros in sales. We are keeping the same margin, keeping production costs low, and increasing profits so that Neochimiki can finance its expansion in the Balkans. We are projecting that almost one third of our sales will be coming from outside Greece in 2007. We have just made our first investment in Serbia by acquiring a refinery in Belgrade. We are also looking to expand our business in Romania, Serbia, and the Ukraine.

To what do you attribute the fact that your shareholders structure is one of the strongest in Greece in terms of international investors?

Neochimiki today is the best growth case in Greece and even in Europe. We are talking about more than 80 percent annual growth, operating within the very conservative chemicals sector, which is influenced by unique political and economical parameters. The fluctuation of the chemicals sector globally is around one to two percent. Since we work for 60 multinationals, we need to operate under higher standards than the rest of our competitors, sharing the culture of multinationals. This is why foreign investors, 70-90 percent of whom come from Europe, believe in us and are willing to both participate in any investments we plan and fulfill any demands for additional equity, even if the market environment is generally bad.

What strategy do you intend to use in order to increase your international sales and still maintain or increase your market share in Greece?

We are the only company working under standards that will become the norm for Greece 20 years from now. Greece is now the distributional hub for Southeast Europe, and as long as we are the only company operating this way, we have significant competitive advantages in areas like Romania and Bulgaria. As long as we have the lowest cost, maintain a dominant position in the area, provide quality products for excellent prices, remain financially strong, and keep investing in the best quality of our installations, we will continue expanding, without facing any serious threat for the next five to 10 years. And as long as Greece maintains an active position in the global scene, the majority of chemical products used in Europe will come from Neochimiki.

Retail and Wholesale

Sector Overview:

The Greek retail market is large and fragmented, maintaining the largest number of shops per person in the European Union (EU). In recent years, development of the sector has been driven by foreign retailers, many of which are large companies and have been squeezing smaller players out of the market, especially in the cities.

Solid growth

Retail sales in 2006 were lower than in many other European countries, hovering around 25 percent of GDP. Having increased by around 35 percent between 2001 and 2006, retail sales in Greece reached approximately $61.6 billion, thanks in large part to real wage growth and a rapid expansion in commercial credit. The sector has enjoyed steady, if decelerating, growth the past seven years. Due in part to a relatively low level of personal disposable income, retail sales in Greece account for a fairly high proportion of private consumption: approximately 40 percent in 2006.

New phenomenon

Department stores, part of a trend in the Greek retail industry that has materialized in the past few years, saw double-digit growth rates in 2005 and 2006. This anomaly in the sector, which overall saw lower increases in turnover, may be due to the emergence of several large shopping malls that include retail outlets selling internationally-branded fashions. Meanwhile, smaller outlets in the clothing and footwear market experienced drops in turnover of approximately five percent. The overall demand for clothing, however, rose by an estimated 103.5 percent between 2001 and 2006.

Technological revolution

Greek ownership of household appliances is among the lowest in the EU. Between 2001 and 2006, sales of television sets grew by an estimated 17.2 percent in volume, although cable subscriptions to supplement those television purchases fell far below the EU average. Meanwhile, sales of personal computers rose by approximately 39.4 percent in volume.

BSB

A leading women's clothing producer and retailer, BSB S.A. has developed an extensive network of shops both throughout Greece and abroad, including in Albania, Cyprus, Lebanon, Romania, Saudi Arabia, and Turkey. It is now Greece's largest prêt-a-porter company, by size. In 2006 the company's turnover reached 43.8 million Euros, an increase of nearly 10 percent over 2005's 40 million Euros in turnover, while more than 10.8 million Euros were invested in its development.

Jumbo

Listed on the Athens Stock Exchange (ASE) for the past decade, the Jumbo Group currently boasts 41 retail stores in Greece, Bulgaria, Cyprus, and Romania. With revenues exceeding 281.3 million Euros in 2006, Jumbo continues to enjoy impressive growth exceeding 25 percent annually. In a difficult period for the Greek retail industry, from mid-2005 through mid-2006, Jumbo's turnover increased a remarkable 23 percent. The company holds more than 30 percent of the domestic retail children's toy market, in addition to acting as a wholesaler of toys, infant products, books, and stationery.

Kotsovolos

Beginning as a single store in 1950, Kotsovolos has developed into the leading electrical goods retailer in Greece. Already operating both the Kotsovolos and Radio Athinai brands, Kotsovolos is looking to launch a third retail chain in the near future. The company has also found franchising to be an especially successful business proposition, and is actively pursuing additional franchises. To give itself an even greater competitive advantage, Kotsovolos has undertaken to sign agreements with many international electronics manufacturers including Philips to be the exclusive providers of specific products. Apparently open to any plan that can add value to its customers, Kotsovolos has created a partnership with Hellas On Line to offer four different packages of ADSL services with up to six months of free connection to the Internet.

Plaisio
Despite ever-escalating competition in the Greek retail computer market, which enjoys an annual growth rate of four to five percent, Plaisio Computers actually increased its market share in 2006. Being listed among the top 500 fastest-growing companies in Europe for the seventh year in a row, the company maintained its indisputable market leader position. It achieved sales exceeding 311 million Euros in 2006, a 20.7 percent leap over its 2005 sales. Simultaneously, Plaisio improved its working capital and jumped 21.5 percent higher than its 2005 EBITDA to attain an EBITDA of 6.3 million Euros. The company's further growth is expected to rely largely on sales to companies, the continued development of private label products, and new products available through digital technology and broadband Internet.

A dazzling story of success

Folli Follie S.A.

Folli Follie, meaning 'crazy craziness' in Italian, epitomizes the fun and flamboyant image of this brand, which is the only Greek globally-branded product within the international jewelry and accessories market. The family business was formed in 1982 to offer stylish-yet-affordable jewelry to women mainly between the ages of 20 and 40. The company's extraordinary success led founder Dimitris Koutsolioutsos, his wife, son, and daughter-in-law to expand into other categories of fashion items and explore overseas markets. So far, Folli Follie seems to be dazzling consumers around the globe.

Expanding the field

While jewelry represented 61 percent of Folli Follie's total sales for the year 2006, 33 percent came from the company's comprehensive range of women's and men's fashion watches and six percent came from handbags and other accessories such as sunglasses.

In 1995, Folli Follie entered the Japanese market. Two years later, the company was listed on the Athens Stock Exchange (ASE), and nowadays Folli Follie is active in 24 countries with more than 330 points of sale worldwide. Folli Follie is also mastering travel and duty-free retail, with outlets in a number of international airports. Furthermore, as of 2006 Folli Follie is the major shareholder of Hellenic Duty-Free Shops (HDFS), with a stake of 52.28 percent.

Shining results

Folli Follie recently presented full-year figures for 2006 by consolidating Hellenic Duty-Free Shops for an eight-month period. Consolidated sales for all of 2006 showed an increase of 117.4 percent over 2005 figures, reaching 484.4 million Euros as opposed to 222.8 million Euros year-on-year.

EBITDA reached 121.2 million Euros in 2006, an increase of 79.5 percent over the 67.5 million Euros reported a year earlier. Meanwhile, net profits amounted to 81.7 million Euros, up 44.3 percent from 56.6 million Euros in 2005.

"Consolidated sales for all of 2006 showed an increase of 117.4 percent over 2005 figures, reaching 484.4 million Euros as opposed to 222.8 million Euros year-on-year."

IKEA franchises show no sign of slowing down

Fourlis Holdings S.A.

When IKEA opened a branch of its megastore in Emeryville, California in April 2000, hundreds of people slept outside its doors the night before its grand-opening with hopes of being among the first shoppers to take home the store's trendy Scandinavian-style furniture. It is difficult to imagine Greek shoppers hauling out sleeping bags and imitating the mania of their American counterparts, but the success of the IKEA stores in Thessaloniki and Athens indicates that Greek shoppers are just as crazed about IKEA's product as are Americans. Fourlis Holdings S.A. has noted that its Thessaloniki store alone attracts 1.7 million shoppers, nearly 20 percent of the entire population of Greece, annually.

Scandinavian style, athletic apparel, and electronics

As Fourlis has a contract to exclusively represent IKEA in Greece, and as both its Thessaloniki and Athens stores are experiencing amazing success, the company's management does not worry that last year the two IKEA stores were the source of 44 percent of the Fourlis Group's sales. In fact, Fourlis has plans to open more IKEA stores in Greece in the next two years and has already begun preparations to expand its IKEA franchising into Cyprus and Bulgaria.

In addition to the strength brought to Fourlis by the success of its IKEA franchising agreement, Intersport, Fourlis Group's retail sporting goods division, has proven itself to be a good addition to the team. There are 23 Intersport stores in Greece, four in Romania, and one in Bulgaria; all 28 stores have been experiencing unmitigated success and increasing their market share. In a budding Greek athletics apparel market of approximately 350 – 400 million Euros, Intersport holds about a 10 percent share.

Numbers don't lie

The Fourlis Group recently sold its 21.5 percent stake in Kotsovolos. Nevertheless, while exiting from the retail end of this industry, Fourlis does not appear to be shrinking its market presence in the domestic wholesale of electrical goods. The Fourlis Group's turnover in 2006 rose 18.29 percent from the 407.5 million Euros generated in 2005 to reach 482.1 million Euros. Simultaneously, the group's EBITDA leapt from 28.5 million Euros in 2005 to 47.9 million Euros in 2006.

"In the third quarter of 2006, Fourlis Group sales rose by a considerable 18.8 percent over 2005's third-quarter results to 329.18 million Euros."