

Corporate announcement of decision to change the use of funds raised

In reply to the letter of the ASE dated October 25th, 2005 regarding the adjustment of the “Table of funds raised”, we note the following:

A. Regarding the change in the location of the land to be acquired:

1. During the past three years, the Company has been searching for a plot of land in the Aspropyrgos area. However, while Aspropyrgos has been selected by the Management of the Company as the suitable location for the purchase of the land, as set out in the prospectus for the listing of the shares of the Company on the ASE, it has not been proven possible to the present day to find a property that would meet our requirements.
 2. Moreover, following the enactment of the development law 3299/23-12-2004 and its publication in Government Gazette issue no. 261, the Company examined the incentives provided for private investments. More specifically, no incentives, such as grants, tax exemptions or subsidies of new employment, are provided in area A (as defined by the law), which includes Aspropyrgos. On the contrary, in zone C, which is located in the wider Attica area, such incentives are provided.
 3. The facts mentioned above led the management of our Company to seek alternative solutions as, following a thorough investigation of the Aspropyrgos area, we concluded that, on the one hand, the search for a suitable plot of land presented many difficulties and, on the other, the prices of land per 1,000 sq. meters were markedly higher compared to other areas near Attica, which additionally qualify for grants under the development law. For instance, areas that combine these advantages are the ones located in the border between the Attica and Viotia prefectures. These locations are situated relatively close to the port of Chalkida, which can accommodate the needs of the Company in the same manner as the port of Elefsina.
 4. In view of the above, the Company replaced the chapter in the “Use of Funds Drawn Table” entitled “Purchase of a plot of land in Aspropirgos & construction of storage and office facilities” with the chapter entitled “Purchase of a plot of land & construction of storage and office facilities” and hence did not amend the use of these funds since its intent to carry-out this investment was and remains intact. The replacement in question does not in any case represent a change or amendment of the “Use of Funds Drawn Table”, even more so an important one, as required by law (L. 3016/2002, art. 282 of the ASE regulations etc.), as these funds fully retain their initially reported purpose and use, which is the purchase of a plot of land on which facilities covering the needs of the Company will be constructed. The change in question is not an amendment but merely a widening of the scope as regards the specific location of the land to be acquired, which in the end may turn out be in Aspropirgos, if an opportunity that is beneficial for the Company arises. This widening, thus, accommodates, on the one hand, the unavailability, to the present day, of a suitable plot of land in the Aspropirgos area and, on the other hand, makes it possible for the Company to take advantage of the incentives provided by the development law and of the price differential between the value of land in Aspropirgos and other areas. Hence, for the reasons stated above, this amendment/widening of the possible solutions was not required by the legislation in effect, as we were advised by the legal counsels of the Company, to be ratified by the General Meeting of its shareholders and for this reason this ratification was not done.
- B. Regarding the amendment in the means of financing the expansion of activities in the Balkans:

1. The Company, as described in its prospectus, intended to expand its operations in the Balkans by establishing subsidiaries in the countries under consideration. Indeed, the Company proceeded through its 100% subsidiary company in Cyprus. The result of the investment was not amended in the least, since the funds mentioned in the prospectus have already been used as share capital for the establishment of subsidiary companies in Romania and Bulgaria.

2. The use of the 100% subsidiary company in Cyprus enables better and separate monitoring of the Company investments in the Balkans and follows standard business practice for similar investments.

3. The subsidiaries in Romania as well as Bulgaria have already signed preliminary-agreements for the acquisition of plots of land according to their requirements, which are described in the prospectus.

Based on the above, the Company considers that no changes to its investment program have taken place, not least important or material ones, that would call for approval by the General Meeting of its shareholders. No new types of investment exist or existed, and certainly no types of investment that are not being materialized. However, if the Listed Securities Issuers' Service Division of the ASE considers that the above mentioned amendments constitute a material change in the use of the funds drawn, the Company is willing to call a General Meeting in order to ratify the aforementioned changes in due time and after consultation with the ASE.