



ThPA S.A.

THESSALONIKI PORT AUTHORITY S.A.

**INTERIM FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH ARTICLE
6 OF LAW 3556/2007
THE PERIOD ENDED ON 30.9.2008**

THESSALONIKI, 24 NOVEMBER 2008

THESSALONIKI PORT AUTHORITY S.A.
Interim Financial Statements
for the period 1.1.2008 to 30.9.2008
prepared in accordance with the International Financial Reporting Standards (IFRS)
(amounts in euro)

I hereby confirm that the Interim Financial Statements attached are those approved by the Board of Directors of Thessaloniki Port Authority S.A. on 26.11.2008 which have been published in the press and posted to the internet at www.Thpa.gr. Note that the summary financial data published in the press seeks to provide the reader with certain general financial information but does not provide a complete picture of the financial position and results of the Company in accordance with the International Financial Reporting Standards. Moreover, it should be noted that the summary financial data published in the press contains certain abridgements or rearrangements of accounts for the purpose of simplification.

The Chairman of the Board of Directors
Thessaloniki Port Authority S.A.

Lazaros Kanavouras

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THESSALONIKI PORT AUTHORITY S.A.

BALANCE SHEET DATED 30 SEPTEMBER 2008 (amounts in €)

ASSETS

	Notes:	30.09.2008	31.12.2007
Non-current assets			
Investments in Property	(b), 18	6.847.000	6.847.000
Tangible assets	(c) (d), 19	47.181.704	44.995.888
Intangible assets	(e), 20	386.990	472.064
Other financial assets	(f), 21	12.030.103	11.608.884
Long-term financial assets	(a), 22	18.270	18.270
Deferred tax assets	(g), 16	783.875	849.449
Total non-current assets		67.247.942	64.791.555
Current assets			
Inventories	(h), 23	1.742.530	1.746.397
Receivables from customers	(i), 24	3.832.572	6.313.769
Advances and other receivables	25	2.976.843	2.177.667
Financial assets at fair value posted in results	(f), 21	825.000	1.015.000
Cash and cash equivalents	(j), 26	55.594.115	60.470.996
Total current assets		64.971.060	71.723.829
Total assets		132.219.001	136.515.385

EQUITY

Equity			
Share capital	(k), 27	30.240.000	30.240.000
Reserves	28	60.967.616	61.345.308
Profits carried forward		22.902.851	23.077.796
Total equity		114.110.468	114.663.104

LIABILITIES

Long-term liabilities			
Provisions for employee benefits	(l), 29	4.018.813	4.194.413
Asset subsidies	(m), 30	40.114	73.502
Other provisions	(l), 31	1.191.319	1.146.319
Other long-term liabilities	31	103.913	87.260
Total long-term liabilities		5.354.158	5.501.494
Short-term liabilities			
Liabilities to suppliers	32	1.382.342	1.790.605
Customer down payments	33	2.913.234	4.376.600
Current Income tax	(g), 34	1.325.257	3.529.634
Dividends payable	(n), 35	20.881	32.062
Other liabilities and accrued expenses	36	7.112.661	6.621.886
Total short-term liabilities		12.754.375	16.350.787
Total owners' equity and liabilities		132.219.001	136.515.385
		-	(0)

THE PRESIDENT
OF THE BOARD OF
DIRECTORS / ThPA S.A.

THE MANAGING
DIRECTOR
ThPA S.A.

THE FINANCIAL MANAGER
No.

THE ACCOUNTANT

L. Kanavouras
ID Card No. AB 717218/06

I. Tsaras
ID Card No. P 723030/95

G. Kokkinos
ID Card No. AE214331

M. Hondroulaki
Lic. No. 0039369

(The notes which follow (numbered 1 to 39) and Annex I constitute an integral part of these financial statements)



THESSALONIKI PORT AUTHORITY S.A.

INCOME STATEMENT FOR THE PERIOD 1.1.2008 - 30.9.2008
(amounts in €)

	Notes:	01.01-30.09.2008	01.01-30.09.2007	01.07-30.09.2008	01.07-30.09.2007
Sales	(o), 7	38.366.371	49.331.457	11.720.514	17.589.587
Cost of goods sold	8,13	(29.605.499)	(32.232.633)	(9.864.568)	(11.289.152)
Gross Profit		8.760.871,81	17.098.823,39	1.855.946,33	6.300.436
Other income	9	674.807	576.359	232.398	195.072
Administrative expenses	10,13	(4.136.562)	(4.094.821)	(1.396.405)	(1.368.644)
Selling expenses	11,13	(539.594)	(528.130)	(300.564)	(329.447)
Other expenses	14	(14.069)	(181.337)	(4)	(849)
Operating profits		4.745.454	12.870.895	391.371	4.796.569
Net financial income	(o), 15	2.337.717,81	1.770.006,01	710.003,35	671.015
Net earnings before tax		7.083.172	14.640.901	1.101.375	5.467.584
Income tax	(g), 16	(1.935.472)	(3.979.656)	(308.529)	(1.413.126)
Net profit for the period		5.147.700	10.661.244	792.845	4.054.458
Basic earnings per share net of tax (in €)	(p), 17	0,5107	1,0577	0,0787	0,4022

THE PRESIDENT
OF THE BOARD OF
DIRECTORS / ThPA S.A.

L. Kanavouras

THE MANAGING
DIRECTOR
ThPA S.A.

I. Tsaras
ID Card No. P

THE FINANCIAL
MANAGER
No.

G. Kokkinos
ID Card No. AE214331

THE ACCOUNTANT

M. Hondroulaki
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(The notes which follow (numbered 1 to 39) and Annex I constitute an integral part of these financial statements)



THESSALONIKI PORT AUTHORITY S.A.

STATEMENT OF CHANGES IN EQUITY (31 DECEMBER 2007 AND 30 SEPTEMBER 2008)

(amounts in €)

	Share capital	Dividends available to increase share capital	Statutory Reserves	Untaxed reserves	Total Reserves	Accumulated profits	Total
Equity at start of period (1.1.2007)	30.240.000,00	1.063.536,00	983.727,52	59.128.478,04	61.175.741,56	11.394.968,81	102.810.710,37
Period earnings net of tax	-	-	-	-	-	10.661.244,41	10.661.244,41
Carried forward to reserves			169.566,08		169.566,08	(169.566)	
Dividends distributed						(2.016.000)	(2.016.000)
Equity at end of period (30.9.2007)	30.240.000,00	1.063.536,00	1.153.293,60	59.128.478,04	61.345.307,64	19.870.647,14	111.455.954,78
Period earnings net of tax	-	-	-	-	-	3.207.149,13	3.207.149,13
Equity at end of period (31.12.2006)	30.240.000,00	1.063.536,00	1.153.293,60	59.128.478,04	61.345.307,64	23.077.796,27	114.663.103,91
Period earnings net of tax	-	-	-	-	-	5.147.699,83	5.147.699,83
Carried forward to reserves			685.844,68		685.844,68	(685.845)	0
Dividends distributed		(1.063.536)	-	-	(1.063.536)	(4.636.800)	(5.700.336)
Equity at end of period (30.9.2008)	30.240.000	0	1.839.138	59.128.478	60.967.616	22.902.851	114.110.468

THE PRESIDENT
OF THE BOARD OF
DIRECTORS / ThPA S.A.

L. Kanavouras
ID Card No. AB 712218/06

THE MANAGING DIRECTOR
ThPA S.A.

I. Tsaras
ID Card No. P 723030/95

THE FINANCIAL MANAGER
No.

G. Kokkinos
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THE ACCOUNTANT

M. Hondroulaki
Lic. No. 0039369



THESSALONIKI PORT AUTHORITY S.A.
CASH FLOWS

	30/09/2008	30/09/2007
Operating activities		
Earnings before tax	7.083.172	14.640.901
Plus/Minus adjustments for:		
Depreciation	2.861.156	2.813.105
Provisions	244.065	-840.570
Earnings from adjustment in investment properties to fair values		
Interest received	-1.616.555	-1.090.553
Results (income, expenses, profits & losses) from investing activities	66.781	-39.347
Interest charges and related expenses		
<i>Plus / minus adjustments for changes in working capital accounts or related to operating activities</i>		
Reduction / (increase) in inventories	3.868	-14.751
Reduction / (increase) in receivables	1.747.595	-1.999.950
Reduction / (increase) in liabilities (excl. banks)	-1.949.810	920.310
Less:		
Interest charges and related paid-up expenses	-4.645	-3.967
Tax paid	-3.962.293	-838.721
Total inflow/(outflow) from operating activities (a)	4.473.334	13.546.457
Investing Activities:		
Acquisition of subsidiaries, affiliates, joint ventures and other investments		
Purchase of intangible and tangible assets	-4.961.898	-4.177.773
Proceeds on sale of intangible and tangible assets		
Sale / (purchase) of long-term financial instruments	-298.000,00	
Dividends collected		
Interest received	1.621.199	1.094.520
Total inflow/(outflow) from investing activities (b)	-3.638.698	-3.083.253
Financing Activities		
Proceeds from increase in share capital		
Proceeds on loans issued / taken out		
Loan repayment		
Leasing arrangement liabilities paid (instalments)		
Dividends paid	-5.711.517	-2.016.000
Total input / (output) from financing activities (c)	-5.711.517	-2.016.000
Net increase / (reduction) in cash and cash equivalents for the period (a)+(b)+(c)		
	-4.876.881	8.447.204
Cash and cash equivalents at the beginning of the period	60.470.996	47.691.888
Cash and cash equivalents at the end of the period	55.594.115	56.139.092

The Chairman of the BoD/ThPA SA The Managing Director/ThPA SA The Financial Manager The Accountant
No.

L. Kanavouras

I. Tsaras

G. Kokkinos

M. Hondroulaki

M. Hondroulaki

NOTES

- 1 In making the provisions I took the credit entry for acc. 44 plus the provisions made for open tax years.
- 2 Interest collected also includes interest actually collected for which no interest collection provisions were formed.
- 3 The results from investing activities do not include the purchase of bonds.
- 4 Liabilities do not include the difference from dividends and surcharges, the payment of taxes
- 5 Actual taxes paid are included by debiting Acc. 54
- 6 The purchase of bonds is included.
- 7 The debit from acc. 53.01 is included which is the actual dividends paid.

WE NEED:
BALANCE SHEET
RESULT
DEPRECIATION
INTEREST
TAX
PURCHASES FROM ASSETS TABLE

THESSALONIKI PORT AUTHORITY S.A.

NOTES TO FINANCIAL STATEMENTS for the period ended on 30/09/2008 (amounts in € unless otherwise stated)

1. INCORPORATION AND COMPANY OPERATIONS:

The company with the corporate name Thessaloniki Port Authority S.A., trading as ThPA S.A. was established in 1999 when the public law body corporate, Thessaloniki Port Authority, was converted into a societe anonyme pursuant to Law 2688/1999.

The company is involved in transport auxiliary and related activities and travel agency activities (STAKOD 03 classification code 64) providing cargo loading/unloading, storage services and other port handling and passenger handling services.

In the accounting periods which ended on 30/09/2008 and 30/09/2007 the company employed 547 and 576 people respectively.

2. LEGAL FRAMEWORK

The company is supervised by the Ministry of Mercantile Marine and operates pursuant to the provisions of Law 2688/1999 (Government Gazette 40/A) as amended and supplemented by the provisions of Article 15 of Law 2881/2001 and Article 17 of Law 2892/2001, the provisions of Codified Law 2190/1920 on societies anonyme and Legislative Decree 2553/1953 as in force from time to time. ThPA S.A. is a public utility enterprise operating in the public interest in accordance with private economy considerations and in administrative and financial terms is independent from the State.

The purpose of the company is to manage and exploit the Port of Thessaloniki and/or other ports. The boundaries of the Port of Thessaloniki zone, including the Thessaloniki Free Zone, are laid down in the applicable provisions in force from time to time.

Pursuant to Article 3 of its Articles of Association, the company's purpose is:

- To profit ship berthing and cargo and passenger transit services to and from the port.
- To install, run and exploit all manner of port infrastructure.
- To take up all activities related to the port and all other commercial, industrial, oil or business activities including tourism, culture, fishing activities and the planning and running of port services.
- Any other duties assigned to ThPA under law as a body governed by public law.

The Company's purpose has been enshrined in its Articles of Association which was included in Article VIII of Law 2688/1999 and amended by the 7th Extraordinary General Meeting of shareholders on 23.8.2002 (Societes Anonyme and Limited Liability Companies Bulletin of the Government Gazette No. 9944/30.9.2002). Since that date no other changes have been made to its corporate purpose.

As far as its corporate operations are concerned, ThPA S.A. will continue to be governed by Law 2688/1999 as amended and in force, which is the special legal basis for its operations, but also be Codified Law 2190/1920 as amended and in force, on issues which are not specifically regulated, and by Law 3016/2002 as in force.

3. CONCESSION AGREEMENT - RIGHT TO USE AND EXPLOIT THE PORT LAND ZONE AT THE PORT OF THESSALONIKI

The Company has the exclusive right to use and exploit the land, buildings and facilities at the Port of Thessaloniki Port Land Zone which are the property of the Greek State. This exclusive right was conceded to ThPA S.A. for 40 years by means of the concession agreement of 27 June 2001 signed by the Greek State (represented by the Ministers of Finance and Mercantile Marine) and ThPA S.A. and expires in 2041. This contract was ratified by Law 3654/2008 on 3.4.2008 and approved by the Ordinary General Meeting of shareholders in ThPA S.A on 30.6.2008. Under this law the initial duration of the contract was extended from 40 to 50 years with the result that it now expires in 2051 and the exclusive right of ThPA to use and exploit plots / buildings and facilities can be conceded by ThPA to third parties for purposes related to port services and facilities for a period not exceeding the contract effective term.

The main features of the contract after publication of Law 3654/2008 are as follows:

- The right of use covers all land sections outdoors or under roof, existing buildings, port & technical works, embankments, service roads, the railway network, public utility networks, extensions to sites & works, the port maritime zone, all premises on the port land zone save for buildings housing public services, parts of the land and maritime port zone used by divisions of the Greek Armed Forces for national security purposes, specially designed buildings on Pier 1 and its surroundings.
- The right to use and exploit the port consists of ThPA's ability during such time as the agreement is in effect to hold, use and operate the port land zone, and its buildings and facilities and to concede those rights to third parties providing port services in accordance with the specific provisions of paragraph 3 of the agreement.
- The initial concession is for 50 years but that may be extended if a new written agreement is concluded by the parties (Article 4 of the Agreement).
- The agreement may be rescinded and terminated before the concession period ends.
- Termination or expiry shall automatically oblige ThPA S.A. to hand back the conceded areas to the State in the condition specified in Article 6.4 of the Agreement.
- Consideration (a percentage of the total consolidated income of the company less extraordinary income from prior periods and income from financial management) is payable at a rate of 1% for the first 3 years and 2% for the remaining years. Additional consideration is payable:
 - where the concession area is extended
 - where facilities are utilised for other purposes and
 - Where the agreement is renegotiated.
- ThPA is obliged:

- to carry out preventative maintenance on the works – buildings conceded and the repair and restore wear and tear.
 - to comply with the strategic, social and business purpose of the concession arrangement.
 - to ensure adequate and safe infrastructure and facilities.
 - to safely demarcate and protect the Free Zone.
 - to treat users fairly.
 - to protect the land and marine environment.
 - to constantly improve the level of user services.
- The Greek State is obliged to provide the necessary assistance:
 - to ensure that the purpose of the concession arrangement is achieved and
 - to finance works in the national interest in accordance with the provisions of Article 11 of the Agreement.

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) ***Basis of preparation of the Financial Statements*** The attached financial statements have been prepared in accordance with the historic cost principle, apart from the valuation of the Company's investment properties which were valued at fair value, while the previous adjustment made in May 2000 was used for other fixed assets, done before ThPA was listed on ATHEX, as the presumed cost on that date. They have also been prepared on the assumption that the company is a going concern. The financial statements have been prepared in line with the IFRS published by the IASB and the interpretations issued by the IFRIC and adopted by the EU. The company prepared financial statements in line with the IFRS for the first time for the period which ended on 31/12/2005.

(b) ***First-time adoption of the IFRS*** Pursuant to Regulation (EC) No 1606/2002 and Law 3329/2004 (amended by Law 3301/2004) Greek companies listed on any equities exchange in Greece or abroad are obliged to prepare financial statements for accounting periods commencing from 1/1/2005 onwards in line with the IFRS. Pursuant to IFRS 1 and the aforementioned Greek legislation the said companies are obliged to present comparative financial statements in line with the IFRS for at least one accounting period (from 31/12/2004 onwards).

ThPA S.A. published its first fully IFRS-compliant financial statements for the accounting period which ended on 31/12/2005 with the transition date being 1/1/2004. Consequently the company applied IFRS 1 when preparing the first annual financial statements and the interim periods covered by those first complete IFRS-compliant financial statements. The Company took avail of the following exceptions to application of other standards:

- It used the adjusted valuations of fixed asset equipment calculated by the Article 9 Codified Law 2190/1920 committee when ThPA was transformed from a body governed by public law to a societe anonyme and the company was listed on the Athens Exchange in 2001 as the presumed cost on that date (Note 18).
- All accumulated actuarial profits/losses identified during the actuarial valuation of provisions for staff liabilities (termination compensation) were recognised on 1/1/2004 (the transition date) (Note 29).

The other optional exceptions in paragraph 13 and mandatory exceptions in paragraph 26 of IFRS 1 were not applied to the financial statements for the 2004 period.

(c) **National financial statements:** The company keeps its accounting books and records and prepares its financial statements in line with Greek commercial law (Codified Law 2190/1920), the Greek general chart of accounts and Greek taxation law. The attached financial statements have been based on the said national financial statements suitably adjusted and revised based on off-book entries to comply with the IFRS.

(d) **New international financial reporting standards and IFRIC interpretations**

The IASB and IFRIC have already issued a series of new accounting standards and interpretations which become mandatory for accounting periods which commence from 1/1/2006 onwards (unless otherwise stated below).

The Company's assessment about the impact of implementation of these new standards and interpretations is set out below"

IAS 19 (Amendment): Employee benefits

This is not applicable to the Company and will not affect its financial statements.

IAS 21: The effects of changes in foreign currency rates.

This is not applicable to the Company and will not affect its financial statements.

IAS 39 (Amendment): Cash flow hedges in foreseeable intra-group transactions.

This is not applicable to the Company and will not affect its financial statements.

IAS 39: Recognition and measurement of fair value.

This is not applicable to the Company and will not affect its financial statements.

IAS 39 & IFRS 4: Insurance Contracts – Financial Guarantee Contracts

This is not applicable to the Company and will not affect its financial statements.

IFRS 1 & IFRS 6: Exploration for and evaluation of mineral resources

This is not applicable to the Company and will not affect its financial statements.

IFRS 1 & IFRS 7: Financial Instruments - Disclosures:

This standard is mandatory for accounting periods commencing after 1/1/2007. It is not expected to have a significant impact on the Company's financial statements.

This standard primarily requires additional disclosures about financial instruments.

IFRIC 3: Emission rights

This is not applicable to the Company and will not affect its financial statements.

IFRIC 4: Determining whether an arrangement contains a lease

The financial statements are not affected.

IFRIC 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds

This is not applicable to the Company and will not affect its financial statements.

IFRIC 6: Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

This is not applicable to the Company and will not affect its financial statements.

IFRIC 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

It applies from 01/03/2006. This is not applicable to the Company and will not affect its financial statements.

IFRIC 8: Scope of IFRS 2:

It applies from 01/05/2006. This will not affect the Company's financial statements.

IFRIC 9: Reassessment of Embedded Derivatives.

It applies from 01/06/2006. This is not applicable to the Company and will not affect its financial statements.

IFRIC 10: Interim Financial Reporting and Impairment

It applies from 01/11/2006. This has not been adopted by the EU. This is not applicable to the Company and will not affect its financial statements.

IFRIC 11 & IFRS 2: Group and Treasury Share Transactions.

It applies from 01/03/2007. This is not applicable to the Company and will not affect its financial statements.

IFRIC 12: Service Concession Agreement.

It applies from 01/01/2008. This has not been adopted by the EU. Application of these requirements will be examined when this interpretation is adopted by the EU.

IFRIC 13: Customer Loyalty Programmes

Applicable to annual accounting periods commencing on or after 1.7.2008. The company is currently assessing whether this interpretation will have any impact on it.

IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Applicable to annual accounting periods commencing on or after 01.01.08. IFRIC 14 is not applicable to the Company.

Standards mandatory after 31/12/2008

IFRS 8 : Operating Segments

It applies from 1/1/2009.

IAS 23: Borrowing Costs- Amendment

Applicable to annual accounting periods commencing on or after 1/1/2009. Not applicable to the Company.

IAS 1: Presentation of Financial Statements – Amended.

The amended IAS 1 – Presentation of financial statements was issued in September 2007 and applies to annual accounting periods commencing on or after 1/1/2009.

Amendment to IFRS 2: Share-based Payments - Vesting Conditions and Cancellations

Applicable to annual accounting periods commencing on or after 1/1/2009. The amendment to this standard has yet to be adopted by the EU.

IFRS 3 : Business Combinations and IAS 27: Consolidated and Separate Financial Statements

The amendment of IFRS 3 and IAS 27 was issued in January 2008 and applies to annual accounting periods commencing on or after 1.7.2009. The amendments to this standard have yet to be adopted by the EU.

Amendments to IAS 32 and IAS 1: Financial instruments – puttable instruments

The amendment to IAS 32 requires that certain puttable financial instruments and liabilities which arise from liquidating an entity are classified as equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of information relating to puttable instruments classified as equity. The amendments are applicable to annual accounting periods commencing on or after 1/1/2009. The company expects that these amendments will not affect its financial statements.

IFRIC 15: Agreements for the construction of real estate

This interpretation is applicable from 1/1/2008 and relates to existing different methods for accounting for sales of real estate. This interpretation does not apply to the Company.

IFRIC 16: Hedges of a net investment in a foreign operation

This interpretation applies from 1.10.2008 and applies to a financial entity which hedges a risk in a foreign currency arising from a net investment abroad. This interpretation does not apply to the Company.

- (e) **Approval of the financial statements:** The financial statements for the period ended on 30/09/2008 were prepared in line with the IFRS and approved by the Board of Directors on 26/11/2008 (ThPA Board of Directors Decision No. 3875/26.8.2008). The financial statements for the 2007 period were published in

November 2007 and were approved by ThPA Board of Directors Decision No. 3553/27.11.2006.

- (f) **Management Assessments:** Preparing financial statements in line with the IFRS requires that Company Management make assumptions and assessments which affect other asset and liability accounts, disclosure of contingent assets and liabilities on the financial statement date and the income and expenses presented in the period being examined. Consequently the actual results may differ from those assessments.

5. SUMMARY OF MAIN ACCOUNTING POLICIES

The main accounting principles used by the Company in preparing the attached financial statements are as follows:

(a) **Foreign Exchange conversion**

- (i) **Functional and presentation currency:** The assets presented in the Company financial statements are valued in the currency of the economic environment in which it operates (functional currency). The financial statements are presented in Euro, which is the company's functional currency.
- (ii) **Transactions and balances:** There are no company transactions and balances in foreign currencies during the periods covered by the dates cited in these Financial statements.

- (b) **Investments in Property:** The company owns four plots of land outside the Port Zone which are held to generate rent or increase the value of its capital. The company has chosen the fair value method for valuing its investment properties. Profits or losses arising from a change in fair value in property investments are included in the net profit or loss for the period in which that change occurs.

- (c) **Property, plant and equipment:** Making use of the provisions of IFRS 1 (First time adoption of the IFRS) the Company used the exception concerning valuation of property, plant and equipment when preparing the IFRS transition balance sheet on 1/1/2004. In this regard it considered the adjusted value of tangible assets calculated by the Article 9 Codified Law 2190/1920 committee in May 2000 when ThPA was converted from a body governed by public law to a societe anonyme before it was listed on the Athens Exchange as the deemed cost for the purpose of preparing the transition balance sheet dated 1/1/2004.

After the transition date the property, plant and equipment were valued at deemed cost or acquisition cost (for additions) less accumulated depreciation and any impairment.

The acquisition cost of fixed assets consists of the purchase price including import tariffs if applicable, and non-rebateable taxes and any other cost required to make the

asset functional and ready for future use. Repairs and maintenance costs are expensed in the period in which they are incurred. Major later additions and improvements are capitalised at the cost of those assets.

Assets manufactured by ThPA S.A. are posted at own manufacture cost which includes the cost of subcontractors, materials and pay for technical staff in relation to structures (including employer social security contributions) and a proportion of overheads.

Fixed assets under construction include assets being constructed presented at cost. Fixed assets under construction are not depreciated until the asset is completed and available for the use for which it is intended.

Plots – lots are not depreciated. Depreciation of other property, plant and equipment is done using the straight line method based on the following useful lives for each asset category:

<u>Fixed Assets</u>	<u>Useful life (years)</u>
Buildings & Technical works	15-40
Mechanical facilities	8-10
Bridge cranes – engine- & electricity-powered cranes	30-40
Loaders	7-15
Machinery	10-15
Loading tools	15
Forklifts	10-15
Floating transports	10-20
Furniture and other equipment	6-10
Computers, electronic assemblies - office equipment	3-5

Depreciation of fixed assets which existed on 1/1/2004 was calculated at deemed cost calculated by the Article 9 Codified Law 2190/1920 committee when ThPA was converted from a body governed by public law to a societe anonyme before it was listed on the Athens Exchange.

To calculate taxable income ThPA S.A. calculates depreciation using the rates contained in Article 34 of Law 2937/2001 and the maximum rates contained in Presidential Decree 299/2003.

The useful lives of property, plant and equipment are re-examined on each balance sheet date. Residual values are not calculated by the company because under Article 32 of Law 3153/2003 the proceeds from the sale of fixed assets devolve to the State. Company non-operating assets are divided into:

- scrap assets which are deleted from the books.
- assets held for sale, in line with IFRS 5 for which no depreciation is recorded.
- all those not meeting the above criteria for which depreciation is recorded.

(d) **Fixed asset impairment:** According to I.A.S. 36, real estate, the facilities, equipment, and intangible fixed assets are assessed for possible value impairment when there are indications that the book value of the fixed asset exceeds its recoverable value. Whenever the book value of a fixed asset exceeds its recoverable amount, its corresponding impairment loss is presented in the results. The recoverable value of a fixed asset is either the estimated net sale value or the value in use whichever is higher. The net sale price is considered to be the realisable proceeds from the sale of an asset in the context of a two-way transaction in which the parties are fully cognisant and which they enter into freely, having deducted all additional direct selling costs for the asset, while the value in use is the current value of the estimated future cash flows expected to accrue to the enterprise from the use of an asset from its sale at the end of its estimated useful life. If an enterprise is not in a position to estimate the recoverable amount of a fixed asset, for which there is indication of impairment, it defines the recoverable amount of cash-generating unit to which the asset belongs.

Impairment losses for assets booked in previous years may only be reversed where there are satisfactory indications that such impairment no longer exists or has reduced. In such cases the reversal is recognised as income.

Management considers that there is no question of impairment of Company fixed assets and consequently does not calculate the recoverable value of assets.

(e) **Intangible assets:** Intangible assets relate to the cost of purchasing software and all expenses incurred to develop software in order for it to be commissioned. Depreciation of software is booked based on a fixed line method over a period of 3 to 5 years.

(f) **Financial assets:** A financial instrument is any contract which generates a financial asset for an undertaking and a financial liability or equitable title in another undertaking.

The company's financial instruments are classified into the following categories based on the substance of the contract and the purpose for which they were acquired.

i) Financial instruments acquired at fair value presented in the income statement These are financial assets which meet the following conditions:

- Financial assets held for trade (including derivatives, apart from those designated, effective hedging instruments, whose acquired or generated for sale or repurchase and lastly those which are part of a portfolio comprised of recognised financial instruments).

Upon initial recognition, the undertaking defines them as assets acquired at fair value with changes being recognised in the income statement.

Realised and unrealised profits or losses arising from changes in fair value of financial assets impaired to their fair value by changes in the results are recognised in the income statement for the period in which they arise.

The purchase and sale of investments are posted on the date of the commercial transaction, which is the date on which the company commits to purchasing or selling the asset. Investments are initially posted at fair value which is augmented by expenses directly attributable to the transactions with the exception, in relation to expenses directly attributable to the transaction, of those assets valued at fair value

with changes posted to results. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

The fair values of financial assets quoted on active markets are designated based on current demand prices. In the case of assets not so traded, fair values are designated using valuation techniques such as recent transaction analysis, comparables and cash flow discounts. Equity titles not traded on an active market classed as financial assets available for sale whose fair value can be reliably designated are valued at acquisition cost.

ii) Loans and receivables: These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company provides interest-bearing and interest-free loans to its staff. All loans to staff are initialled recognised at cost, which is the actual value of the amount received less the cost of loan issuing expenses. Following initial recognition, loans are valued at cost, which does not differ significantly from their carried cost, using the effective interest rate. Short-term receivable are booked at the value of the commercial transaction less provisions for bad debt. Long-term receivables with a specific repayment date were valued at acquisition cost, which does not differ significantly from their present value using the discount interest rate in line with the provisions of IAS 39 and IAS 18.

iii) Held-to-maturity investments: This includes non-derivative financial assets with fixed or determinable payments and a specific maturity date which the company intends to and is capable of holding to maturity. The assets are valued using the depreciated cost method with changes recognised in the income statement.

iv) Accounting for derivatives and hedging operations: Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are measured at their fair value. The method for recognising profits or losses generated depends on the nature of the asset whose risk is hedged.

(g) Income tax (current and deferred): Current and deferred income tax is calculated based on the relevant financial statement accounts based on the taxation laws which apply in Greece. Current income tax relates to tax on the taxable profits of each company adjusted based on tax law requirements and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method on all interim differences on the balance sheet date between the taxation basis and the book value of the assets and liabilities.

Expected tax discounts from interim tax adjustments are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are posted for all tax deductible interim difference and tax losses carried forward to the extent that this is likely that there will be taxable profits available in respect of which the interim difference can be utilised.

The book value of deferred tax assets is revised on each balance sheet date and reduced to the extent that it is not considered likely that there will be sufficient taxable profits for which all or part of the deferred tax assets can be used.

Current tax assets and liabilities for the current and past accounting periods are valued at the figure expected to be paid to the tax authorities (or recovered from them) using tax rates (and tax laws) which have been adopted or substantively adopted by the balance sheet date.

- (h) **Inventories:** Consumables and spare parts used to maintain company mechanical equipment are valued at either cost price or net realisable value, whichever is lower, and their cost is calculated using the weighted average cost. Consumables are posted as inventories when purchased and after used are posted to expenses or capitalised. At the end of each period the Company re-examines the possibility of its inventories having become obsolete and makes a provision or deletes them from the books (Note 23).
- (i) **Trade receivables:** Receivables from customers are posted initially at fair value and later valued at carried cost using the effective interest rate less impairment losses. Where the carried cost or cost of a financial asset exceeds its present value, then the asset is valued at its recoverable amount, in other words at the present value of future cash flows calculated using the effective interest rate. The loss is presented directly in the results. Impairment losses are recognised in the results when there are objective indications that the company is not in a position to collect the amounts due based on contractual terms.
- (j) **Cash and cash equivalents:** Cash and cash equivalents include cash, sight deposits and short-term investments of up to 3 months which are highly-realizable and low risk.
- (k) **Share capital:** The share capital includes the company's ordinary shares.
- (l) **Provisions for risks and expenses – contingent liabilities:** Provisions for risks and expenses are recognised when the company has a current legal or presumed commitment as a result of past events or when it is likely that there is a resource outflow which entails financial benefits and the relevant commitment can be reliably assessed. The company re-examines the need to form provisions at the end of each year and adjusts them so that they reflect the best possible assessments and in the case where this is considered necessary discounts them based on a reasonable pre-tax discount rate.
Contingent liabilities are not posted to the financial statements but are disclosed unless the likelihood of a resource output incorporating financial benefits is minimal. Contingent assets are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.
- (m) **Government Grants:** The Company has received grants from Community programmes to acquire intangible and tangible assets. Grants are recognised when there is a reasonable assurance that the grant will be collected and that the relevant terms and conditions will be complied with. Asset grants are recognised as income

for future periods and depreciated in line with the useful life of the grant-aided asset. The depreciation of grant-aided assets is presented in the Other Income account in the income statement.

Grants covering part of the expenses paid, received from the Manpower Employment Agency, to employ students on work practice, and from the ESF are posted in the Other Income account (Note 9).

(n) **Dividends:** Dividends are posted when the General Meeting of Shareholders issues a decision giving shareholders the right to collect them.

(o) **Income recognition:** Income is valued at the value of the commercial transaction and booked in the accounting period to which it relates. On the date of the interim financial statements all manner of accrued, non-invoiced income from services in the period those statements relate to (income from services, or from capital, etc.) is booked. The most important categories of income for the Company are as follows:

- **Income from unitised cargo transport comprising:**
 - Income from Container Terminal services
 - Income from Container Services
- **Income from conventional cargo transport comprising:**
 - income from loading/ unloading services at conventional port
 - income from the provision of hull S/S services
 - Income from stalling services
 - Income from Silo services
- **Income from services to passengers on coastal and cruise ships comprising:**
 - Income from other services (special duty) on tickets
 - Income from vehicle passage
- **Income from services to ships and other services comprising:**
 - Income from mooring and berthing
 - Income from other services (electricity, telecommunications, spent oils collection, use of sites).
- **Income from operation of organised parking lots.**

(p) **Earnings per share:** The earnings per share are calculated by dividing the net profits payable to ordinary shareholders by the average weighted number of shares in circulation during the period. There are no debentures convertible to stock or other potential instruments convertible to stock which would reduce profits during the periods to which the financial statements relate and consequently reduced profits per share have not been calculated.

(q) **Segment reporting:** The company operates as a single unit providing port services at the Port of Thessaloniki. In this context it is not obliged to prepare and disclose financial data per operating segment in line with the requirements of IAS 14: Segment Reporting.

It should be noted that in general of geographical segment reporting, all company activities are conducted within the Thessaloniki wider area and consequently this is deemed to be one geographical area.

- (r) **Provisions for post-employment benefits:** Post-employment benefits include defined benefits plans. The accrued cost of fixed contribution plans is posted as an expense in the period to which the cost relates.
The company pays compensation to retiring employees in accordance with the provisions of the applicable sectoral collective labour agreements in effect from time to time, up to the maximum amount stated in Article 2 of Law 173/1976 as in force from time to time.
The liability posted to the balance sheet for defined benefit plans is the present value of the commitment to provide a defined benefit and the changes which arise from non-recognised actuarial profits or losses and the cost of previous service. Independent actuaries using the projected unit credit method calculate the defined benefit obligation each year.
Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability are posted to the income statement over the average remaining service lives of the employees participating in the plan. The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using a straight-line method within the maturity period.
- (s) **Leases:** Leases where the Lessor has substantially retained all the risks and rewards of ownership of the assets are classified as operating leases. The lease payments made for operating leases are posted as expenses - income to the results on a systematic basis during the lease.

6. RISK MANAGEMENT

Financial risk factors

The company is not exposed to major financial results such as market risk, changes in foreign exchange rates or purchase prices, credit risk, or liquidity risk. The company's financial instruments are bank deposits (sight and time deposits), and trade debtors and creditors.

(a) Market Risk

i) Exchange rate risk: The company does business with Greek and foreign customers and the transaction currency is the Euro. Consequently there is no foreign exchange risk.

ii) Price risk: The company is not affected by changes in prices because it provides services. The company is indirectly affected to a limited extent due to increases in the payrolling costs via inflationary pressures.

iii) Interest rate risk: The company holds several securities whose cash flows are determined by a floating interest rate tied to EURIBOR. Based on the securities held on 30/09/2008 an increase (decrease) in the interest rate in the order of + or - 1% would cause an increase (decrease) in results for the period of € 120,000. The

company has a bond whose fair value has been calculated as its market value. Based on its face value on 30/09/2008 an increase or decrease in its value by + or - 1% would bring about an increase or decrease in reserves of € 10,000. The company is not exposed to the risk of interest rate fluctuations since it has not loans.

(b) Credit Risk: The Company's exposure to credit risk is limited to financial assets as set out in notes 21, 24 and 26.

The credit risk the company is exposed to vis-à-vis contracting parties due to its large customer based is minimal since as standard practice it obtains advances before commencing work carried out.

(c) Liquidity risk: There is no liquidity risk for the company since it has adequate cash equivalents to meet its operating costs. The maturity of financial liabilities on 30/09/2008 is shown in note 32 – short-term liabilities and in note 24 'receivables from customers'.

(d) Capital risk management

The purpose of the company when managing capital is to ensure the ability to continue operating, to generate profits for shareholders and benefits for other stakeholders and to maintain its capital structure which will reduce the cost of capital.

To maintain or adjust the capital structure the company should adjust the amount of dividends and pay capital of shareholders, issue new shares or sell assets to reduce debts.

Capital is reviewed based on the gearing ratio. This ratio is calculated as net debt / total capital. Net debt is calculated as total borrowing (including short- and long-term loans presented in the consolidated balance sheet) less cash assets. Total capital is calculated as equity presented in the consolidated balance sheet plus net debt. The company does not use loan capital and thus its gearing ratio is zero.

(e) Fair Value:

The amounts shown in the balance sheets for cash, receivables and short-term liabilities are close to the relevant fair values due to their short-term maturity.

7. SALES

	<u>30/09/2008</u>	<u>30/09/2007</u>
Income from Container Terminal services	6.963.813	9.971.363
Income from loading and unloading services at the Conventional Port	14.858.658	13.926.186
income from the provision of hull S/S services	0	633.173
Income from container services	11.145.497	20.084.448
Income from mooring and berthing	1.011.022	1.176.142
Income from silo services	450.386	359.028
Income from operation of organised parking lots.	870.091	830.615
Income from other services	3.066.905	2.350.504
Total	<u>38.366.371</u>	<u>49.331.457</u>

8. COST OF GOODS SOLD

	<u>30/09/2008</u>	<u>30/09/2007</u>
Staff salaries and expenses (Note 13)	19.862.441,21	22.744.212
Third party fees and expenses	214.659,34	166.445
Charges for outside services	4.670.381,30	4.430.983
Taxes - Duties	147.212,30	122.755
Other expenses	147.809,38	86.870
Depreciation (Note 12)	2.756.427,21	2.682.291
Staff termination indemnity (Note 29)	160.414,26	145.541
Consumables – spare parts	1.677.861,83	1.887.383
Less: Production of assets for own use	-31.707,51	-33.846
Total	<u>29.605.499,32</u>	<u>32.232.633</u>

9. OTHER INCOME

	<u>30/09/2008</u>	<u>30/09/2007</u>
OAED subsidies	13.926	44.558
Income from rents	518.994	454.905
Income from other undertakings - grants	45.904	
Highway Code fines	18.006	30.618
Asset grant depreciation	5.292	
Income from value adj. of investment properties	0	
Other	72.685	46.278
Total	<u>674.807</u>	<u>576.359</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the period ended on 30 September 2008
(amounts in € unless otherwise stated)

10. ADMINISTRATIVE EXPENSES

The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Staff salaries and expenses (Note 13)	2.428.552	2.772.423
Third party fees and expenses	890.339	595.974
Charges for outside services	499.612	400.838
Taxes – Duties	4.704	3.931
Other expenses	114.038	56.523
Depreciation (Note 12)	103.114	129.363
Staff termination indemnity (Note 29)	32.375	32.102
Provision for bad debt	-	-
Consumables – spare parts	63.828	103.668
Total	<u>4.136.562</u>	<u>4.094.821</u>

11. SELLING EXPENSES

The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Staff salaries and expenses (Note 13)	153.139	171.084
Third party fees and expenses	1.036	1.148
Charges for outside services	7.385	5.923
Taxes – Duties	23.487	12.987
Other expenses	401.934	321.169
Depreciation (Note 12)	1.615	1.451
Staff termination indemnity (Note 29)	6.276	7.248
Provision for bad debt	-55.277	7.121
Total	<u>539.594</u>	<u>528.130</u>

12. DEPRECIATION

The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Tangible asset depreciation (Note 19)	2.736.653	2.706.085
Intangible asset depreciation (Note 20)	124.503	107.020
Total	<u>2.861.156</u>	<u>2.813.105</u>

13. PAYROLLING COST

The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Full-time staff salaries	11.094.466	13.049.730
Employer contributions to social security funds	2.282.965	2.246.507
Side benefits	334.779	413.988
Staff compensation	45.335	169.120
Subtotal	13.757.546	15.879.345
Wages	6.415.998	7.491.608
OAED apprentice wages	129.329	134.017
Employer contributions to social security funds	2.009.542	2.160.238
Side benefits	131.717	139.612
Staff compensation		67.789
Subtotal	8.686.586	9.993.264
General total	22.444.132	25.872.609

The total number of ThPA employees on 30/09/2008 and 30/09/2007 was 547 and 576 respectively.

14. OTHER EXPENSES

	<u>30/09/2008</u>	<u>30/09/2007</u>
Tax fines and surcharges	1.263	831
Other prior period expenses	9.331	51.291
Other extraordinary provisions		70.966
Other	3.475	58.249
Total	14.069	181.337

15. FINANCIAL INCOME / EXPENSES (NET)

The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Interest from banks	2.358.654	1.375.964
Income from securities	50.489	438.709
Plus/Minus: Valuation adjustments (fair value)	-66.781	-40.700
Subtotal	2.342.363	1.773.973
Interest charges and related expenses	-4.645	-3.967
Subtotal	-4.645	-3.967
General total	2.337.718	1.770.006

16. INCOME TAX (CURRENT AND DEFERRED)

The income tax shown in the income statement for the period can be broken down as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Current tax	1.824.898	3.734.884
Deferred income tax	65.574	199.773
Provision for open tax years	45.000	45.000
Total	<u>1.935.472</u>	<u>3.979.656</u>

Under tax law, the tax rate applicable to companies up to 31/12/2005 was 32%. For profits generated in accounting periods starting from 1/1/2006 to 31/12/2006 the tax rate was 29% and for profits generated in accounting periods from 1/1/2007 onwards the tax rate was 25% (Law 3296/2004). (Law 3296/2004)

Tax returns are filed each year, adjusting the book profits with tax adjustment returns, and the profits or losses referred to in them are considered to be interim until a tax audit is carried out by the taxation authorities and a report is issued in which tax liabilities are finalised. Tax losses carried forward from previous periods, to the extent that this is acceptable to the taxation authorities, can be offset against profits from the next five accounting periods.

The table below sets out the reconciliation between the nominal and actual tax rate.

	<u>30/09/2008</u>	<u>30/09/2007</u>
Earnings before income tax	7.083.172	14.640.901
Income tax calculated at current rate of 25%	-1.770.793	-3.660.225
Tax impact of non-deducted expenses	-119.679	4.498
Tax impact of non-taxed income	-	-
Impact from reduction in tax rate	-	-278.929
Provision for open tax years	-45.000	-45.000
Income tax expenses in income statement	<u>-1.935.472</u>	<u>-3.979.656</u>

Deferred income tax is calculated on all interim tax differences using the tax rate which will apply in the period when an asset is realised or a liability settled taking into account the tax rates which have been adopted by the balance sheet date.

The transactions in the deferred income tax account were as follows:

	<u>30/09/2008</u>	<u>30/09/2007</u>
Balance at start of period	849.449	1.041.714
Deferred tax in the results	-65.574	-199.773
Balance at end of period	<u>783.875</u>	<u>841.941</u>

Deferred tax liabilities debited in the attached income statements contain interim tax differences which primarily arise from booked income – profits which will be taxed at a future date. Deferred tax assets primarily relate to interim tax differences arising from specific provisions which are tax deductible when realised.

Deferred tax assets and liabilities are offset when there is an effective legal right to do so and the deferred tax assets and liabilities relate to income tax collected by the same taxation authority.

Deferred income tax assets and liabilities are derived from the following assets:

Deferred tax assets	A balance sheet		Results for the period
	30/09/2008	31/12/2007	30/09/2008
Tangible assets (change in useful life)	1.265.416	1.142.296	123.120
Investments held to maturity	13.974	44.779	(30.805)
Asset subsidies			
Allowance for value decline of reserves			
Provisions for receivables from Greek State	88.041	88.041	0
Staff termination indemnity	1.004.703	1.048.603	(43.900)
Gross deferred tax asset	2.372.134	2.323.719	48.415
Investments in Property	(1.427.069)	(1.427.069)	0
Intangible assets	(9.919)	2.138	(12.057)
Provision for bad debt	(151.273)	(49.341)	(101.932)
Gross deferred tax liability	(1.588.260)	(1.474.271)	(113.989)
Deferred tax in results			(65.574)
Net deferred tax asset	783.874	849.448	

17. PROFITS PER SHARE

The profits per share are calculated by dividing the net profits payable to ordinary shareholders by the average weighted number of shares in circulation during the period.

There are no debentures convertible to stock or other potential instruments convertible to stock which would reduce profits during the periods to which the financial statements relate and consequently reduced profits per share have not been calculated.

The calculation of basic earnings per share on 30 June 2008 was as follows:

	30/09/2008	30/09/2007
Net profit for shareholders	5.147.700	10.661.244
Weighted average number of shares	10.080.000	10.080.000
Main earnings per share (in euro per share)	0,51	1,06

18. INVESTMENT PROPERTIES

	<u>30/09/2008</u>	<u>31/12/2007</u>
Balance at start of period	6.847.000	6.645.000
Income from valuation adjustments	-	202.000
Balance at end of period	<u>6.847.000</u>	<u>6.847.000</u>

The company owns four plots of land outside the Port Zone which are held to generate rent or increase the value of its capital which are free of all liens. The company has chosen the fair value method for calculating the book value of its investment properties. Profits or losses arising from a change in fair value in property investments are included in the net profit or loss for the period in which that change occurs.

A change in property prices by +/-5% would bring about a € 342,350 change in results for the period.

Note that the independent evaluator's report for one of the company properties located in the Triandria area has calculated a potential fair value and not a precise fair value due to the non-existence of adequate data to calculate the precise location and status and for that reason it was not included in the financial statements. The value of this plot was presented in the financial statements as € 0.01. Moreover, since the evaluation report was prepared for the purposes of the IAS, all possible future developments which could increase or decrease the value of properties (such as the underwater tunnel, etc.) were ignored. The properties were valued as is, that is to say as plots within the city plan. The last valuation by an independent evaluator was carried out in December 2007.

19. TANGIBLE ASSETS

	Lots & buildings	Machinery – mechanical equipment	Transportation Equipment	Furniture and other equipment	Advances & projects under construction	Total
1/1/2007						
Cost	10.491.361	46.497.401	4.208.691	2.674.975	3.409.219	67.281.647
Accumulated depreciation	1.904.318	18.515.104	2.252.026	1.519.043	-	24.190.491
Net carried value	8.587.043	27.982.297	1.956.665	1.155.932	3.409.219	43.091.156
31/12/2007						
Cost	10.701.203	48.963.327	4.264.207	2.862.728	6.029.621	72.821.088
Accumulated depreciation	2.378.850	21.243.828	2.367.337	1.835.185		27.825.200
Net carried value	8.322.354	27.719.499	1.896.871	1.027.542	6.029.622	44.995.888
30/09/2008						
Cost	11.092.048	49.260.927	4.290.491	3.136.359	9.608.731	77.388.556
Accumulated depreciation	2.741.753	23.303.628	2.463.114	2.053.357		30.561.852
Net carried value	8.350.295	25.957.299	1.827.377	1.083.002	9.608.731	46.826.704

Company assets are free of encumbrances. The Company has fully depreciated fixed assets with a total acquisition cost of € 3,558,984 of which assets with an acquisition cost of € 1,554,778 are still in use (2.08 %). Of the others, fixed assets with an acquisition cost of € 93,370 will be deleted due to obsolescence and the others have been included in the sell off scheme (Decision No. 3149/29.9.2006). The company has concluded insurance contracts dated 1.7.2006 covering possible risks of earthquake, fire and other risks to its assets from acts of god and also covering general civil liability for electromechanical equipment and buildings which have been conceded to it by the Greek State, and employer's civil liability for machinery, vehicles, electric gantry cranes and ordinary gantry cranes.

20. INTANGIBLE ASSETS

	Software	Advances	Total
1. 1/1/2007			
Cost	878.562	362.000	1.240.562
Accumulated depreciation	700.597		700.597
Net carried value	177.965	362.000	539.965
2. 31/12/2007			
Cost	1.282.727	35.340	1.318.067
Accumulated depreciation	846.003		846.003
Net carried value	436.724	35.340	472.064
3. 30/09/2008			
Cost	1.308.636	48.860	1.326.427
Accumulated depreciation	970.506		927.796
Net carried value	338.130	48.860	386.990

Intangible assets relate to the cost of purchasing software and all expenses incurred to develop software in order for it to be commissioned. Depreciation of software is booked based on a fixed line method over a period of 3 to 5 years.

21. FINANCIAL ASSETS

a) Non-current

	<u>30/09/2008</u>	<u>31/12/2007</u>
Other financial assets		
<u>Held to maturity</u>		
Balance at start of period	11.608.884	11.500.000
Additions for the period	298.000	288.000
Adjustments for valuation	123.219	-179.116
	<u>12.030.103</u>	<u>11.608.884</u>
Holdings in:	8.000	8.000
ELIME		
Less value decline allowance	-8.000	-8.000
Total	<u>12.030.103</u>	<u>11.608.884</u>

b) Current assets

Financial assets at fair value in the results

Balance at start of period	1.015.000	1.090.500
Additions for the period	0	0
Adjustments for valuation	-190.000	-75.500
Total	<u>825.000</u>	<u>1.015.000</u>

The value of the financial asset (fair value shown in results) on 30/09/2008 was 82.5% (on an active market) meaning that Company results were down € 190,000 (note f i). Valuation of financial instruments held to maturity using the depreciated cost method was € 120,030,103 and the difference of € 123,219 compared to the valuation of 31/12/2007 using the same method was entered in the income statement (note f iii). The fair value of the assets held to maturity was € 10,127,308.

The fair value of financial instruments traded on active markets (Stock Exchanges) (e.g. bonds, mutual funds) is determined by the published prices which apply on the balance sheet date.

The financial assets in the results on 31/12/2007 were reclassified for comparative purposes as current financial assets rather than non-current assets. There was no change in the balance of these assets.

The fair value of financial instruments not traded on active markets is determined using valuation techniques and the use of methods and assumptions based on market data on the balance sheet date.

Moreover, in the current period, one financial asset was purchased for € 298,000.

22. LONG-TERM FINANCIAL ASSETS

This account is broken down in the attached Financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Electricity guarantees	17.608	17.608
Water supply guarantees	512	512
Battery collection guarantees	150	150
Total	<u>18.270</u>	<u>18.270</u>

23. INVENTORIES

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Consumables	942.119	936.419
Spare parts	800.411	809.978
Less: Provision for impairment	-	-
Total	<u><u>1.742.530</u></u>	<u><u>1.746.397</u></u>

24. RECEIVABLES FROM CUSTOMERS

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Receivables from customers	4.788.201	7.359.327
Less: Provision for bad debt	-955.628	-1.045.558
Total	<u><u>3.832.572</u></u>	<u><u>6.313.769</u></u>

Customer and other trade receivable maturity dates were as follows:

	30/09/2008		
	1 – 2 years	2 – 5 years	5 years or more
Customers	3.709.760	705.927	372.514
Less allowances	-	-583.115	-372.514
Total net receivables	3,709,760	122.812	-
	31/12/2007		
	1 –2 years	2 – 5 years	5 years or more
Customers	6.698.272	293.835	367.220
Less allowances	- 384.503	-293.835	-367.220
Total net receivables	6.313.769	-	-

The transactions in the account 'provisions for bad debt' were as follows:

	<u>30/9/2008</u>	<u>31/12/2007</u>
Start balance	1.715.329	1.715.329
Less	-55.503	0
End balance	1.659.826	1.715.329

Since it is standard company practice to obtain down payments for work to be done, which are settled at regular intervals, the actual receivables from customers amounted to € 1,874,967 (€ 4,788,201 - € 2,913,234) on 30/09/2008. Each customer account is debited / credited with down payments collected and the final payment for specific work tasks corresponding to any open balances from those down payments. At the end of each period that balance is presented in the liabilities account 'Customer down payments'. The customer balances for which no provision has been made are either inside company collections policy limits or collection is guaranteed.

25. ADVANCES AND OTHER RECEIVABLES

	30/09/2080	31/12/2007
Advances to staff	176.687	486.493
Loans to staff	147.655	118.831
Grants from the Greek State		
	352.165	352.165
Other receivables from the Greek State		
	82.160	44.352
Non-current receivables from currently earned income	1.809.871	782.909
Doubtful debtors	704.424	669.772
Less: Provision for bad debt		
	-704.424	-669.772
Down payments to suppliers		-
Sundry debtors	131.786	91.125
Next period expenses	276.519	301.793
Total	2.976.843	2.177.668

Non-current receivables from currently earned income came from:

a) income from Manpower Employment Agency apprentice grants: € 3,798

b) accrued capital income € 725,808, non-invoiced work € 1,080,265

Staff loans: The company provides its staff interest-bearing and interest-free loans. The total amount of interest-bearing loans which can be granted to staff (office staff and port workers) each year has been approved by the Board of Directors of ThPA S.A. (Decision C 1106/17.12.2001) and cannot exceed the sum of € 117,388.11 per year. When granting loans stamp duty is applied at 2.4 and in the case of interest-bearing loans interest is calculated at a rate equal to the interest rate for 3-month Greek Government notes. The level of interest-bearing loans per employee does not exceed € 3,000 approximately and instalments are withheld from employee salaries. Loans are presented at face value which reflects their fair value.

Employee advances: Salaries for full-time staff are paid in advance on the 1st and 16th day of each month. The amount presented relates to pay advances for full-time staff for the month of October 2008.

26. CASH AND CASH EQUIVALENTS

This account is broken down in the attached financial statements as follows:

	30/09/2008	31/12/2007
Cash on hand	253.429	237.160
Sight Deposits	3.430.999	5.431.219
Time deposits (up to 3 months)	51.909.687	54.802.617
Total	55.594.115	60.470.996

Sign and time deposit accounts are Euro-denominated and have a floating interest rate depending on the level of money deposited, which on 30/09/2008 ranged from 5% to 5.45% (compared to 3.52 % to 5.15% on 31/12/2007). The current value of these sight and time deposits approximates their book value due to the floating interest rates and their short maturity dates.

Interest from bank deposits is recognised using the accrued interest principle and amounted to € 2,358,654 for the period ended on 30/09/2008.

27. SHARE CAPITAL

ThPA's share capital stands at € 30,240,000 divided into 10,080,000 ordinary registered shares with a nominal value of € 3.00 each. The share capital was fully paid up on 31/12/2007. The share capital contains no shares which do not represent company capital or rights to acquire bonds.

By means of decision of the Extraordinary General Meeting of shareholders of 1.3.2007 it was decided to increase the share capital by € 1,063,536 by capitalising the first dividend for the 1st fiscal year (2000) and by the sum of € 1,960,464 by capitalising that amount from the special tax-free reserve under Law 2881/2001. The Ordinary General Meeting of shareholders of ThPA on 30.6.2008, following an opinion from the State Legal Council, decided to withdraw the decision of the Extraordinary General Meeting of 1.3.2007 and pay the dividend for the 1st fiscal year to the Greek State and that payment was made on 8.7.2008.

28. RESERVES

This account is broken down in the attached financial statements as follows:

	30/09/2008	31/12/2007
Statutory Reserve	1.839.138	1.153.294
Special tax-free reserve / Law 2881/2001	57.063.116	57.063.116
Reserve from tax-free income	1.692.535	1.692.535
Reserve from tax preference items	372.827	372.827
Amounts intended for capital increases	-	1.063.536
	<u>60.967.616</u>	<u>61.345.308</u>

Statutory Reserve: Under Greek company law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. This reserve cannot be distributed while the company is in operation.

Special tax reserve / Law 2881/2001: This reserve was generated from the non-capitalised part of the equity which arose from valuation of the company's assets on 31.5.2000.

Tax-free reserves and reserves from tax preference items: These relate to income from tax which has not been taxed or for which 15% tax was withheld at source. If distributed, these amounts are then taxed under the general income tax provisions. At

present the Company does not intend to distribute these reserves and consequently in line with IAS 12 deferred taxation has not been calculated.

Amounts intended for share capital increases: This relates to the dividend from the 1st accounting period which was not paid and is to be used for share capital increases. On 1.3.2007 the Extraordinary General Meeting decided to capitalise this amount but that procedure has not been completed because the Ministry of Development has yet to approve that increase. Following a decision of the General Meeting on 30.6.2008 on payment of the dividend for 2000, that amount was moved from equity to the short-term liabilities account and the reserves were reduced accordingly.

29. PROVISIONS FOR EMPLOYEE OBLIGATIONS

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Liability from actuarial study of 30/09/2008	3.609.174	3.784.774
Actuarial profits not recorded	409.639	409.639
Personnel dismissal and retirement compensation provision	4.018.813	4.194.413

The company calculate the staff termination reserve in accordance with the provisions of the sectoral collective labour agreement. In particular the Company formed a staff termination provision for its full-time staff on 1/1/2004 and 31/12/2004 based on 3 monthly salaries for 2003 and 7 monthly salaries for 2004 to 2008 with the maximum level of compensation being € 15,000. In line with the sectoral collective labour agreement the company made a provision for its full-time port workers on 1/1/2004, 31/12/2004, 31/12/2005, 31/12/2006 and 31/12/2007 for staff termination based on 75 wages for 2003 and 175 for 2004-2008 with the maximum level of compensation being € 15,000. Staff compensation obligations for 2008 were calculated using an actuarial study which showed actuarial gains of € 409,639 (up to 31/12/2007). Since they were below the 10% margin these gains were not posted in the results in line with the accounting principle implemented by the company (Note s).

The provisions during the period 1/1/- 30/09/2008 and the accounting period which ended on 31/12/2007 were as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Balance at start of period	4.194.413	4.272.669
Provision for period	199.065	246.521
Compensation paid	-374.665	-324.777
Balance at end of period	<u><u>4.018.813</u></u>	<u><u>4.194.413</u></u>

The main actuarial assumptions used to calculate these provisions were as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Discount rate	4.50%	4,50%
Excepted pay increase	5%	5%
Estimated average future service	11,57	12,32

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the period ended on 30 September 2008
(amounts in € unless otherwise stated)

30. INVESTMENT GRANTS

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Balance at start of period	73.502	73.502
Carried forward to results	-26.408	-
Additions for the period	-6.981	-
Balance at end of period	<u><u>40.114</u></u>	<u><u>73.502</u></u>

31. OTHER PROVISIONS

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Balance at start of period	1.146.319	1.557.650
Provision for payment of prior period price	-	-845.650
Tax audit provisions	45.000	60.000
Employee indemnity provisions	-	-30.000
Provisions for business party compensation	-	52.154
Provisions for receivables from Greek State	-	352.165
Balance at end of period	<u><u>1.191.319</u></u>	<u><u>1.146.319</u></u>

ThPA S.A has not undergone a tax audit since 2005 onwards. A tax audit for the fiscal years 2001 to 2004 is currently underway. Provisions have been made for these fiscal years (2001-2008) as appropriate.

The Other long-term liabilities account includes rent guarantees.

32. SHORT-TERM LIABILITIES

	<u>30/09/2008</u>	<u>31/12/2007</u>
Suppliers	1.382.342	1.790.605
Customer down payments	2.913.234	4.376.600
Current Income tax	1.325.257	3.529.634
Dividends payable	20.881	32.062
Other liabilities and accrued expenses	7.112.661	6.621.886
Total	<u><u>12.754.375</u></u>	<u><u>16.350.787</u></u>

The maturity of short-term liabilities on 30/09/2008 was as follows:

	30/09/2008	
	up to 6 months	6 - 12 months
Suppliers	1.382.342	-
Customer down payments	2.913.234	-
Current Income tax	1.325.257	-
Dividends payable	20.881	-
Other liabilities and accrued expenses	6.334.082	778.579
Total	11.975.796	778.579

	31/12/2007	
	up to 6 months	6 - 12 months
Suppliers	1.790.605	
Customer down payments	4.376.600	
Current Income tax	3.529.634	
Dividends payable	15.445	16.617
Other liabilities and accrued expenses	6.621.886	
Total	16.334.170	16.617

33. CUSTOMER DOWN PAYMENTS

The Company collects down payments from customers before starting to provide services, which are settled when invoices are paid in full.

34. INCOME TAX

The income tax balance was € 1,325,257 which includes the provision for income tax for 2008 of € 1,824,898 and 3/8 of the income tax instalments for 2007 of € 1,330,973. From the total liability one must deduct 5/8 of the instalments of income tax paid in advance for 2008 of € 1,744,004 and the withholding tax of € 89,610 has also been offset.

It is the company's standard practice of offset income tax advance payments with its tax liability.

35. DIVIDENDS

Under Greek company law, companies are required to pay dividends each year calculated as either 35% of their net annual profits net of tax or 6% of the paid-up

share capital whichever is larger. Following publication of Law 3604/2007 (effective from 8.8.2007) dividends are to be calculated as either 35% of profits having deducted the statutory reserve, without any reference to 6% of the paid-up share capital. The company is entitled not to distribute dividends where their shareholders decide unanimously on that.

Moreover, Greek law requires that specific conditions be met for distributing dividends:

- (a) Dividends cannot be distributed to shareholders if the company's equity shown in the financial statements is or will, after distribution, be less than the paid-up share capital plus non-distributed reserves.
- (b) Dividends cannot be distributed to shareholders where the carried value of the Establishment Expenses account in the financial statements exceeds all optionally distributable reserves plus the profits carried forward.

36. OTHER LIABILITIES AND ACCRUED EXPENSES

This account is broken down in the attached financial statements as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Value Added Tax	114.330	46.873
Taxes – duties on staff and third party salaries	510.387	1.580.277
Other Taxes - Duties	50.233	50.422
Insurance and pension fund dues	685.375	1.569.524
Employee salaries payable	451.553	1.543.744
Fees due	12.442	9.663
Accrued expenses	5.097.371	1.628.655
Other short-term liabilities	190.970	192.728
	<u><u>7.112.661</u></u>	<u><u>6.621.886</u></u>

Lastly note that the above liabilities and accrued expenses are expected to be settled within 6 months.

Withholding taxes: This figure primarily relates to withholding taxes applied to staff salaries, which are usually paid in the month after the withholding is made in line with the provisions of tax law.

Social security funds: This amount is primarily comprised of contributions – withholdings to social security funds as can be seen from the payroll and can be broken down as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
IKA and other main social security funds	561.908	1.091.961
Contributions to supplementary funds	120.629	476.670
Other social security contributions	743	893
	<u><u>683.280</u></u>	<u><u>1.569.524</u></u>

The company has no debts due to the social security funds.

Accrued expenses: The amounts can be broken down as follows:

	<u>30/09/2008</u>	<u>31/12/2007</u>
Staff salaries	2.315.588	-
Professional fees and expenses	76.323	29.916
Charges for outside services	577.224	250.036
Taxes – Duties	12.702	36
Τμήμα παραχώρησης	2.115.534	1.336.955
Other		11.712
	<u>5.097.371</u>	<u>1.628.655</u>

37. CONTINGENT LIABILITIES – RECEIVABLES

i. Liabilities: On the 30/09/2008, the Company's pending sub judice liabilities towards third parties amounted to € 137,249,846. No provision has been made for those liabilities, since Management believes that they will not have a significant effect on the financial status or the operation of the Company. This amount includes:

- A court claim made by Hellenic Railways Organisation for € 206,385 for damage to wagons.
- Court claims by ThPA employees for € 4,793 for which final court rulings have not yet been handed down.
- Other pending liabilities involved business partners and third parties worth € 724,352 from damage to cargo or third party assets by ThPA machinery which is insured.
- A court case by the company Plota Parking S.A. for lost profits due to cancellation of the tender procedure for construction of a floating parking space at Thessaloniki port, € 136,314,315.

ii. Receivables: Moreover the Company has signed several concession agreements for parts of its site. Company receivables from those contracts can be broken down as follows:

	2008	2007
Contracts of up to 1 year amount per year €	2,119,127	1.559.337
From 1 to 5 years amount per year €	131,444	131,444
5 years or more amount per year €	169,617	169,617

iii. Claims against third parties: Furthermore, contingent claims of ThPA S.A. against third parties amount to € 4,250,372. This amount includes:

- A claim by ThPA S.A. for seized cargo of € 3,634,725.
- Various sub judice claims against the State, the IKA Fund and third parties for € 298,103.

- A claim against third parties from Highway Code fines (within the Port Zone) of € 317,544.

v. **Guarantees:** Supplier guarantee letters worth € 7,172,699.

38. TRANSACTIONS WITH AFFILIATES

Management remuneration

During the first nine months of 2008 salaries and attendance fees of € 306,872 were paid to members of the Board of Directors. Senior managers, accounting office staff, the head of legal affairs, internal auditors and other company executives were paid € 538,801 over the same period.

In addition to the fees cited, no other business relationship or transaction existed in the period 1/1/ – 30/09/2008 and no other benefits was provided during that period by the company to persons participating in its management.

No loans were granted to the Chairman, the Managing Director, the members of the Board of Directors, the Management and other executives of the company and the personnel of the Internal Audit Department by the Company, save for the amount of € 7,700.00 that was granted to the Manager of the Conventional Port Division and the Chief Accountant, based on the Company's sectoral collective labour agreement. The repayment balance on 30/09/2008 was € 3,259 (€ 2,191 and € 1,068 respectively). Moreover, on 30/09/2008 the company owed Board of Directors members fees of € 7,552 for the month of September, which amounts were paid in October.

The remuneration of management and other executives is regulated by the sectoral collective labour agreement covering company staff, while the general managers' and legal consultant's remuneration is determined by decision of the Board of Directors. The remuneration of the Chairman and Vice Chairman of the Board of Directors and the Managing Director is determined by decision of the General Meeting of Shareholders of ThPA S.A.

39. MAJOR EVENTS IN THE PERIOD 1.1 – 30/09/2008 AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Decision No. 3610/15.1.2008 of the company's BoD approved the tender notice for an open highest bidder tender procedure for award of a concession to develop, operate and exploit the Container Terminal located within the Thessaloniki Port Zone for a period of 30 years for (a) financial consideration consisting of:

- an initial payment of € 40 million
- an annual contribution based on consolidated income
- a guaranteed annual contribution (70% of the annual contribution)
- An annual rent for existing infrastructure of € 2.47 million adjusted every year
- An annual rent for new infrastructure of € 3.66 million adjusted every year

and (b) private financing by the investor (to further develop and expand existing infrastructure and superstructure) using the highest financial tender as the award criterion.

The deadline for submitting tenders is 20.3.2008 but that has been extended to 15.5.2008 by a more recent decision of the Board of Directors. The following three companies took part in the tender procedure:

- HPH Ltd , HPI Sarl, ALAPIS S.A. LYD S.A.

-COSCO PISIFIC Ltd, and

-P&O Aktor Concessions S.A. – Piraeus Bank S.A.

and the grouping of companies HPH Ltd, HPI Sarl, ALARIS S.A. and LYD S.A was declared the highest bidder by decision No. 3800/30.7.2008 of the ThPA Board of Directors, which tendered the sum of € 419,468,447. Following that in decision No. 3814/26.8.2008 the Board of Directors of ThPA appointed that grouping of companies as the interim contractor. The Company is currently completing procedures for the signing of the contract so that the contract can be sent to the Court of Auditors for approval.

As far as company staff are concerned, Law 3654/2008 makes specific reforms to fully protect employees in light of the business restructuring of ThPA S.A (voluntary retirement scheme, transfers or secondment to the provider).

The company is currently undergoing an ordinary tax audit by the tax authorities for the years 2001-2004.

Apart from the points made above, there are no other events after the balance sheet of 30/09/2008 relating to the Company which need to be reported in line with the IFRS.