HELLENIC ESTATES ®
REAL ESTATE NETWORK

Why invest in **Greece**

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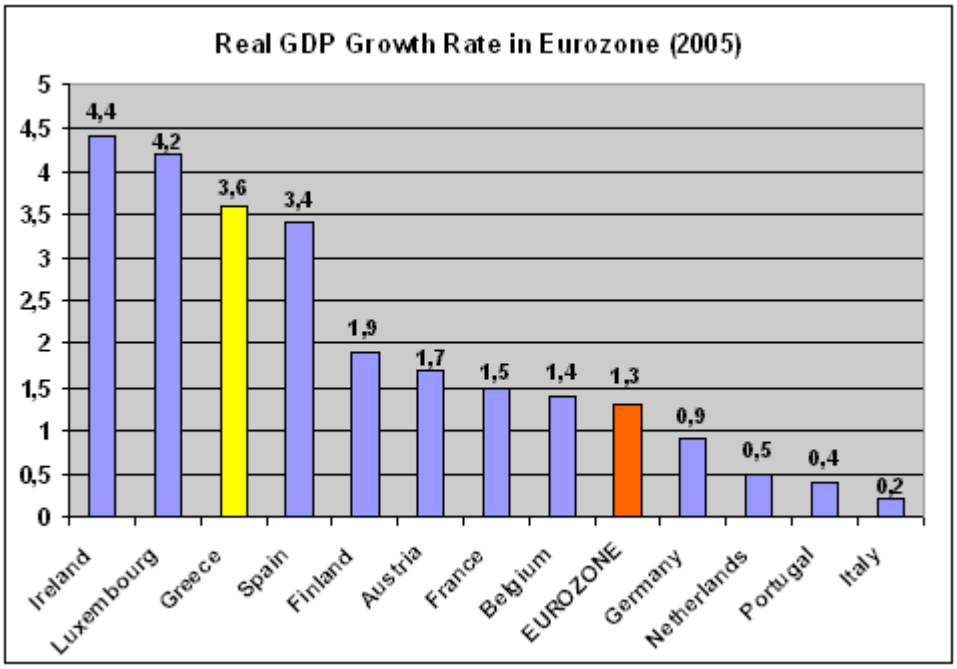
Why invest in Greece

Economic Stability

Greece is a member of the European Monetary Union (EMU) and one of the best performing economies in the Eurozone. Today, Greece has become the economic hub of Southeast Europe and offers a stable and healthy economic environment that is supportive to the needs of business and investors.



Source: *Eurostat, Hellenic Ministry of Economy and Finance - Update of the Hellenic Stability and Growth Program 2005-2008.*

Competitive Labor

According to latest data from the National Statistical Service (2006, 2nd quarter), the number of people in the Greek labor force is 4,452.9. Although Greece has a relatively small labor force, there are certain quality factors, which make the country competitive and more attractive in this field than most of its European counterparts.

Education

The educational structure of the Greek labor force has improved impressively over the last years. In the last decade, the number of students that entered the Greek and foreign universities doubled.

Traditionally, Greeks have placed education high on the list of priorities for their children. Education has been long recognized as the most valuable asset a person can have to advance and Greeks are eager to invest in training their sons and daughters. In fact, Greece sends more students abroad to study, per capita, than any other country. Universities in the United Kingdom, Germany, Italy, France, and the United States boast large numbers of students from Greece, many of whom achieve high academic success.

There are roughly 195,000 students enrolled in post-secondary educational institutions in Greece and of these, about 26,000 are in masters or doctoral programs. More than 60,000 young Greek students attend post-secondary institutions outside the country. Greek students have always shown a strong interest in medicine, the sciences, engineering and electronics. In recent years, technology and business administration have become more popular, as new programs are offered and more opportunities exist to pursue studies outside Greece.

Educational level of the Greek labor force (000s and %), 2006 (2nd quarter)		
PhD and Master's degree	77.8	1.40%
University degree	809.5	16.04%
Technical degree	786.1	15.61%
Secondary education certificate (Lyceum)	1,606.5	32.70%
Basic education	537.5	11.53%
Lower education	1,062.8	22.72%
Total	**4,880.2**	**100%**

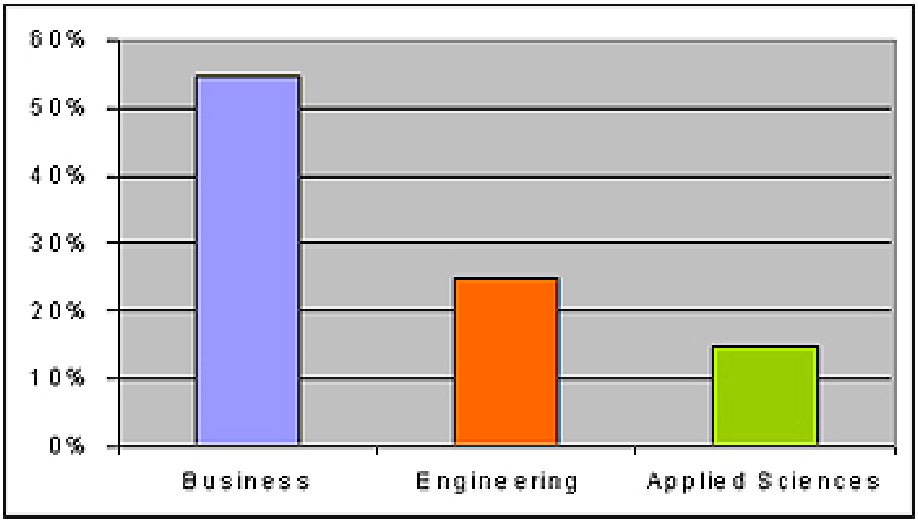
Source: *National Statistical Service of Greece*

Most Greeks with University degrees have studied abroad - either in North America or Europe - and represent approximately 11% of the Greek population.

University Education of Greek Managers

A study conducted by the Greek association of CEOs (EASE) in association with INSEAD (the French Institute for Economic Research and Development) shows that 94% of Greek managers are graduates, of whom 54% are postgraduates. Some 45% of Greek managers speak a foreign language - mainly English - and half of these are competent to further languages (mostly French, German or Italian).

The study also indicates that university education of management executives is approximately 55% in business, 25% in engineering and 15% in applied sciences.



Source: *EASE and INSEAD study on "Greek Management"*

Access to Markets

GREECE IS THE NATURAL LINK TO MARKETS AND RESOURCES

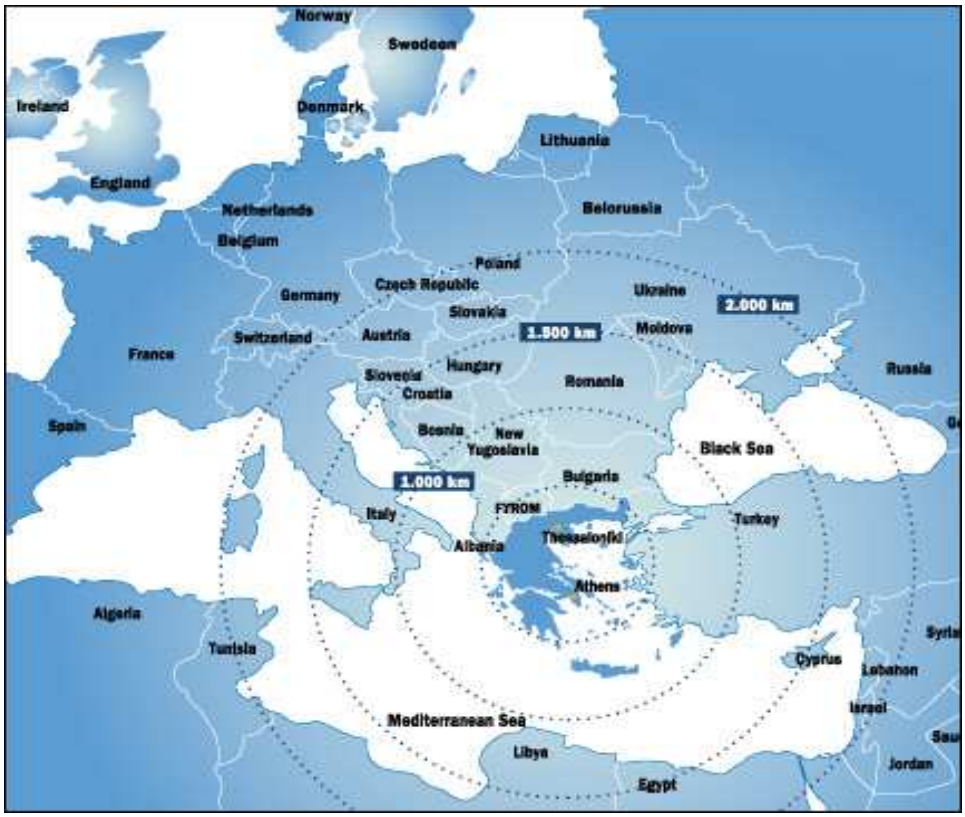
Greece is Europe's strategic link to the sizeable, emerging markets of the Balkan, Black Sea, eastern European and eastern Mediterranean regions.

Greece's advantageous location provides access and opportunity to the neighboring regional markets while Thessaloniki, the capital of northern Greece, offers the financial and trading services needed in order to conduct business in the regional markets.

- An existing network of 3,264 Greek companies have initiated direct investment programs or marketing agreements in the regional markets.
- Greek business people have the cultural understanding of the regions and the practical experience of doing business there.
- Greece is the only EU member country in the region and is also considered a point of political and economic stability in the area.

MARKET ACCESS

- Within a radius of 500 km there is a market of 35 million inhabitants spread over a major part of Greece, Bulgaria, FYROM, Albania and New Yugoslavia.
- Within a radius of 1000 km there are an additional 146 million people. This market includes Turkey, Romania and southern Italy.
- In a 1500 km radius there is direct access to the markets of Hungary, Croatia, Slovenia, Libya, Egypt and Cyprus.



THESSALONIKI - FINANCIAL AND TRADING CENTER

Thessaloniki (Thessalonica) at the doorstep of the Balkans, is the country's second largest city. It has become the **financial and trading center** for the emerging markets of the entire Balkan peninsula and is the seat for the **Black Sea Trade and Development Bank**, (comprising 11 countries of the wider Balkan and Black Sea regions), the **Balkan Trade Center** and the **Thessaloniki Stock Exchange Center**, which has online connection with the ASE and is expected to develop into a source of capital for the wider region.

Major Greek Investments in Southeastern Europe and the Black Sea Region

Company	Country of Investment	Activity
HELLENIC TELECOMMUNICATIONS ORGANIZATION (OTE S.A.)	Albania, Bulgaria, Romania, Ukraine, Armenia, Serbia	Telecommunication
INTRACOM GROUP S.A.	Bulgaria, Romania, Russia, Turkey, Ukraine, Serbia	Telecommunication
HELLENIC BOTTLING COMPANY GROUP (3E)	Serbia, Bulgaria, FYROM, Romania, Turkey	Soft Drinks
DELTA S.A.	Albania, Bulgaria, Serbia, FYROM, Romania, Turkey	Dairy Products
ATHENIAN BREWERY	Bulgaria, FYROM, Turkey	Brewery
CHIPITA INTERNATIONAL	Bulgaria, Romania, Russia, Ukraine	Snack Food
TITAN S.A.	Albania, Bulgaria, FYROM, Turkey	Cement Industry
MYTILINAIOS HOLDINGS	Romania, FYROM, Serbia, Turkey	Mining Industry
ALUMYL MYLONAS S.A.	Albania, Bulgaria, Serbia, FYROM, Romania, Turkey	Metals
THRACE PAPER MILLS	Bulgaria, Hungary	Paper Industry
KAPNIKI MICHAILIDIS S.A.	Albania, FYROM, Bulgaria, Turkey	Tobacco
PAPASTRATOS	Romania	Tobacco
PETZETAKIS S.A.	Bulgaria, FYROM, Romania	Plastics, PVC
MOTOR-OIL	Russia, Ukraine, Azerbaijan	Petroleum, Oil, Products
MAILIS	Bulgaria, Romania, Poland, Hungary	Packaging Materials
GERMANOS BATTERIES S.A.	Romania, Bulgaria, Serbia	Batteries
THEMELIODOMI S.A.	Albania, Romania, Turkey	Construction
MICHANIKI S.A.	Albania, Bulgaria, Ukraine, Turkey	Construction
HELLENIC PETROLEUM	Albania, FYROM	Energy-Petroleum
MEDICAL CENTER OF ATHENS	Russia, Romania, FYROM, Serbia, Turkey	Health Services
ALPHA BANK	Romania, Albania, FYROM, Bulgaria	Banking
NATIONAL BANK OF GREECE	Turkey, Romania, Bulgaria, Albania, FYROM, Serbia	Banking
COMMERCIAL BANK OF GREECE	Bulgaria, Romania, Georgia, Russia	Banking
PIRAEUS BANK	Albania, Romania	Banking
EUROBANK	Bulgaria, Romania, Turkey	Banking & Securities

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Infrastructure

Greece is in the process of completing its vast program of infrastructure projects with the use of the European Union's 3rd Community Support Framework. That means that every level of transport and communications is being upgraded on a profound scale. In parallel, the liberalization of the energy and telecom market leads to the modernization of the existing network and provide new opportunities for development.

Egnatia Highway, the PATHE motorway and the modernisation of the rail network are the three basic axes that form part of the TransEuropean Network.

Motorways

1. EGNATIA HIGHWAY

Egnatia (680 km) stretches east-west linking the northwest port of Igoumenitsa to Alexandroupolis at the Turkish border via Thessaloniki, with nine vertical connections to the Balkan countries and links to five ports and eight airports.

2. PATHE MOTORWAY

PATHE Motorway (750 km) includes the Athens Ring Road and stretches the north south axis from the Port of Patras to the border with former Yugoslavia.

3. IONIAN MOTORWAY

Ionian Motorway, is the western axis, which connects Rio-Antirio with the port of Igoumenitsa and the Egnatia Highway.

4. ATTIKI ODOS MOTORWAY

Attiki Odos is part of the Athens peripheral ring road. It is the main link of all means of transport (airport, ports, intercity railway stations, urban train stations, metro, intercity coach stations and heavy goods transport stations). The motorway serves more than 30 districts in Attica.

5. RION - ANTIRION

Rion-Antirion suspension bridge is one of the most important and impressive projects in Europe. With a span of 2.5 km across the western mouth of the Gulf of Corinth, the bridge connects the southern peninsula with northern Greece.

Railways

The Hellenic Railways Organization (OSE) investment plan of € 3,245 billion is a large expansion program which will modernize Greece's main rail access, opening a rail connection to Europe via the Port of Patras. The project entails the construction of a double - track line in accordance with international specifications, which will link Patras - Athens - Thessaloniki with the country's north and northeast borders. The project has been designed for trains with high manufacturing specifications and standards.

Ports

Greece has 123 cargo or passenger ports, which handle passenger ships, cruise ships and cargo. With the financing of the 3rd Community Support Framework, 50 ports will be upgraded with a total expenditure of € 300 million.

PRINCIPAL PORTS:

1. PORT OF PIRAEUS

Maximum draft: 14.0m It is the largest port in Greece and lies on the Saronikos Gulf southeast of the mainland. General cargo, bulk cargo, containers, tankers and Ro-Ro vessels are served.

2. PORT OF THESSALONIKI

Maximum draft: 11.5m
The port is located on the northwest shore of the Thermaicos Gulf. Positioned in a sensitive geopolitical area the Port is at the crossroads of East and West. It is the nearest European port for handling freight traffic to and from the Balkans, Eastern Europe and the Black Sea. The conventional port is divided into two areas; one area for EU cargo and the other for cargo outside the European Union. This port is equipped to handle grain, general cargo, bulk cargo, livestock, containers and passengers. The facilities offered in the Port of Thessaloniki include:

- A modern and efficient container terminal, with a combined capacity of 200,000 containers per year.
- Large and most efficient Ro-Ro terminals.
- 3 container berths, 20 general cargo berths, tanker and liquefied gas terminals, 15 transit sheds and 20 warehouses.

3. PORT OF VOLOS

Maximum draft: 9.75m
Volos is located at the head of the Gulf of Pagasitikos on the eastern Greek mainland. It is at the center of Greece, allowing it to serve the entire country. General cargo, bulk cargo, tankers, Ro-Ro vessels and ferryboats are accommodated.

4. PORT OF PATRAS

Maximum draft:11.5m
The Port of Patras is on the northern shore of the Peloponisos on the Greek mainland. It services passenger traffic to and from Italy. General cargo, bulk cargo, containers, tankers and Ro-Ro vessels are served.

5. PORT OF ALEXANDROUPOLI

Maximum draft: 5.5m
It is situated on the northeast tip of Greece, an ideal location for trade transportation in Mediterranean Sea, serving the northern Balkan countries and the central east European countries. It handles mainly general and bulk cargo.

6. PORT OF ELEFSINA

Maximum draft: 12.4m
The port is located on the Saronikos Gulf towards the southeast of the mainland, 24 km from Piraeus. Exports include cement, oil-based paints, soap, wine, resin and olive oil. Imports consist of general goods. Tankers are also served.

7. PORT OF IGOUMENITSA

Maximum draft: 7.5m
The Port of Igoumenitsa is situated on the east side of the Corfu Channel, in Igoumenitsa Bay. It is considered the "Western" Gate of Greece and facilitates maritime transport between Greece and Italy. It will be linked to the Egnatia highway, expediting the movement of passengers and vehicles to Italy and the rest of Europe.

8. PORT OF IRAKLIO (HERAKLIO)

Maximum draft: 12.9m
Iraklio is located on the North side of the Island of Crete. General cargo, bulk berths cargo and containers are served, as well as passenger traffic.

9. PORT OF KAVALA

Maximum draft: 10.0m
Located on the northern Greek mainland, Kavala is a small sheltered port encompassing the offshore oil terminal of Prinos, which is situated between Kavala and the Island of Thasos. General cargo, bulk cargo, containers, tankers, Ro - Ro vessels are served.

10. PORT OF KALAMATA

Maximum draft: 8.84m
The port of Kalamata is located in southern Greece. General cargo, bulk cargo, containers, tankers are served.

11. PORT OF LAVRIO

Maximum draft: 6.1m
South of Piraeus on the Greek mainland, Lavrio lies in Egasteria Bay. General cargo, bulk cargo, tankers as well as coastal ships are served.

12. PORT OF CHALKIDA

Maximum draft: 6.4m
It is situated on Euboea Island to the east of the Greek mainland. The port has reception facilities for general as well as bulk cargo. The principal products handled by the port are cement, building materials and fertilizers.

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Airports

Greece has 39 international standard airports, many of which have been upgraded or rebuilt during the last years. The next five-year plan includes expansion and renovation of 21 more airports with a total cost of more than 400 million EURO.

In March 2001, a state-of-the-art airport was delivered in terms of technology and equipment, with focus on safety, user-friendliness and service excellence. Europe's southern gateway to the world, the **Athens International Airport** has been one of the biggest infrastructure projects in Greece; a project of strong entrepreneurial as well as social character.

The airport is owned by the Greek Republic and a private consortium under the leadership of Hochtief. It has been constructed on a BOOT (Build-Own-Operate -Transfer) for a concession period of 30 years.

Athens International Airport	
Beginning of operation	March 2001
Construction period	51 months & a 5-month trial period
Number of passengers	Up to 16 million passengers annually during the 1st phase
Cargo traffic	Designed for 220,000 tones a year
Length of runways (2)	Approx. 4 km each
Aircraft movements	65 landings and take offs per hour or 600 per day
Main terminal building	4 levels, 14 passenger-boarding bridges, 150,000 sq.m.
Satellite	10 passenger boarding bridges
Access	Six-lane freeway from the south (Attiki Odos)
Check in counters	163
Baggage claim conveyor belts	11
Website Address	www.aia.gr

PRINCIPAL AIRPORTS:

1. Athens International Airport
2. Thessaloniki
3. Iraklio (Crete)
4. Rodos (Rhodes)
5. Kerkyra (Corfu)
6. Kos
7. Chania (Crete)
8. Zakynthos
9. Samos
10. Mykonos
11. Santorini (Thira)

The Telecom Industry

Since January 1st, 2001 the Hellenic Telecommunications Organization (OTE) was deprived of its general natural monopoly. This was a result of a new policy, which supports new activity and healthy competition in the areas of fixed and wireless telephony.

However, OTE ranks amongst the top groups of companies in Greece and the top ten telecommunications organizations in Europe. It has numerous subsidiaries - such as COSMOTE (mobile telephony) and OTEnet (Internet services) - which perform impressively and participates in the international (global and regional) satellite telecommunications organizations and operational systems such as Intelsat, Inmarsat, Eutelsat, and New Skies.

OTE extends its activities beyond the Greek frontiers into South-eastern European markets and the Middle East. Its foreign investment portfolio includes capital investments in other countries (Albania, Armenia, Jordan, Romania, Serbia, Ukraine, Yemen, Bulgaria, Georgia, Lithuania).

As far as mobile telephony is concerned, it is indeed very popular in Greece. Approximately 97% of the population owns a mobile phone and is being served by the country's three largest cell phone providers: Cosmote, Vodafone, TIM**.**

Quality of life

The Greek way of living means weekend jaunts to the islands in the summer or for winter skiing at organized resorts. The sea is never more than 80 kilometers from any point on the mainland making water sports the favorites. In direct contrast to the typically, dry landscape, are the untouched wetlands in the north part of the country - home to some of the most beautiful wildlife and significant habitats in the European Union.

Theatre was born in Athens during the 61st Olympiad (536-532 BC) almost at the same time as democracy. Ancient and contemporary theatres abound in Greece. Of the 76 ancient theatres many give classical performances throughout the summer. The international music and dance festivals attract audiences from all over the world and a legacy of 370 museums filled with countless archaeological treasures, classical art, Byzantine relics, folklore and contemporary art are an education in themselves.

Greece has relatively little crime, even in the major centers. Adaptation is made easier for school-age children with various foreign schools to accommodate them, while for adults the many foreign institutes, clubs and associations help pave the way to integration.

The dry, warm climate keeps doors open and people happy. Outdoor cafes, restaurants and cinemas are a way of life - a quality of life possible here.

Sectors to invest in to

Tourism

Greece ranks in the top 15 tourism destinations worldwide and is one of the most popular tourism destinations in Europe, and this trend, especially in terms of economic performance, has strengthened over the last nine years. Comparing 1995 and 2004, the attractiveness of the country within the EU-15 area decreased slightly in terms of tourism flows (arrivals falling from 3.8% to 3.3%), although the share of turnover doubled over the same period (receipts rising from 2.5% to 5.0%). This means that the profit margin on incoming tourism grew more than the volume of incoming tourism over the period analyzed. The share of arrivals from the EU-15 as a proportion of total international arrivals declined from 1995 to 2004 (from 74.4% to 70.3%). Given the increase in international demand for the country over the same period (from 53.7% to 54.1% of total tourism flows), this indicates increased demand from countries outside the EU-15. While the proportion of international tourism grew slightly, the contribution of tourism to the country's GDP rose strongly, almost doubling over the nine years (from 3.5% in 1995 to 6.2% in 2004). This highlights once again the importance of the tourism industry to the country's economy. The ratio of international tourism receipts to expenditure, which measures the tourism balance, significantly increased as well. Receipts exceeded expenditure by 3.1 times in 1995 and by almost 4.5 in 2004. This confirms the important role of inbound tourism in the national economy. The spider plot summarizes the overall tourism performance of Greece in 1995 and 2004 according to the six indicators
Discussed above.

Main tourism indicators: Greece in 1995 and 2004:

Indicators	1995	2004
- Share of international arrivals in the country as a proportion of total international arrivals in the EU-15[1]	3.8%	3.3%
- Share of international tourism receipts in the country as a proportion of total international receipts in the EU-15	2.5%	5.0%
- Share of arrivals from the EU-15 as a proportion of total international arrivals in the country[1]	74.4%	70.3%
- Proportion of international tourism compared with total tourism in the country[1]	53.7%	54.1%
- Proportion of international tourism receipts in GDP	3.5%	6.2%
- Ratio of international tourism receipts to expenditures	3.11	4.48

1) 2003 data for 2004.

Source: The Eurostat - Panorama of Tourism 2006- Report

In Greece, there are 2,000 islands to choose from, miles of glimmering coastline, dramatic mountains for excursions or paragliding like Icarus, riding the rapids of Achelos, or sailing to Mykonos for the weekend. Ancient sites, museums, and performances are all part of Greece's cultural heritage.

The tourism industry is a vital economic sector and occupies a dominant position in the Greek economy. Greece has established itself over the last three decades, as a popular destination for leisure tourism and ranks in the top 15 destinations in the global market.

It is an undisputed fact that Greece is a highly attractive tourism destination with many unique advantages. However, the market is a highly competitive one and Greece must keep pace. Therefore, the basic aim of its tourism policy is to raise the quality and to enrich and diversify its tourism product.

Although, mass leisure tourism will continue to represent a significant percentage of the market, there has been a gradual shift toward up-market and more diversified products. Efforts are already underway to enhance Greece's tourism image with thematic holidays, cultural activities, golf, conference and incentive travel, agro tourism, thalassotherapy resorts, and religious tours.

Greece's main objective is to upgrade the quality and to render its tourism product more competitive. In support of this goal, competitive investment incentives provide cash grants and tax allowances to international companies seeking an investment opportunity in one of the finest tourism destinations in the world.

Energy

Energy is one of the most important and dynamic sectors of the Greek economy. In the past, Greece occupied next to last place in energy consumption in the European Union. However, because of the structure of its production, the composition of its GDP, and its favorable whether conditions, the demand for energy consumption is now rising dramatically.

In order to create a comprehensive energy policy and establish secure sources of energy, the Greek government has, in accordance with European Union Law, introduced legislation (Law 2773/1999) for the deregulation of the electrical energy market. Under this Law, domestic production, transmission, and distribution in the energy field is open to private investors.

The electricity market in Greece was transformed from a state monopoly -the Public Power Corporation (PPC)- into one of the most exciting sectors of growth and opportunity in Europe. A number of companies are now competing with the PPC to produce electricity. Others are establishing themselves in gas distribution, a high-growth market. And others are entering the renewable sector - primarily wind - in what promises to be one of Europe's best growth areas.

Global competitiveness of energy and technology and the recognition of the environmental impact of energy use have brought a new dimension to Greece's energy policy and will have a major effect on both industrial and consumer markets. No other sector in Greece is undergoing such a complete transformation as the energy sector. The government is focusing on establishing Greece as the energy hub of southeast Europe, and a host of projects and proposals - underway and in the negotiation stage - reflect the seriousness of this goal.

Information Resources: Hellenic Center for *Investment, Eurostat,* Hellenic Ministry of Economy and Finance, National Statistical Service of Greece, EASE and INSEAD study on "Greek Management"

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So if you are planning to invest in tourism, the industrial sector, agriculture, energy, transportation, service sector, commercial sector, constructions, short or long-term real estate investment or you're just setting-up a franchise retail network, we are your **ONE-STOP-SHOP** for most of the services, counseling and support that you may need in Greece.

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