

**REPORT OF THE BOARD OF DIRECTORS OF  
SCIENS INTERNATIONAL INVESTMENT & HOLDINGS S.A.  
To the Shareholder's Ordinary General Meeting**

According to article 289 of the Athens Stock Exchange Regulation, the BoD of **Sciens International Investments and Holdings S.A.**, with regard to the announced share capital increase, provides the following information:

**1. REPORT ON THE USE OF FUNDS RELATING TO THE LAST SHARE CAPITAL INCREASE**

By decision of the General Meeting of shareholders on the 31/08/2001, the share capital of the company was increased by 7.499.691,86 Euro. The increase was approved by decision K2-16385 of the Minister of Development and by decision taken by the Board of Directors of the Athens Stock Exchange dated 11/10/2001 and was certified by virtue 179/16.11.2001 minutes of the BoD of the Company. The period of exercising the right was set from 29.10.2001 to 12.11.2001 and the 12.777.600 new common bearer shares were listed in the Athens Stock Exchange on 27.11.2001. From the issuance 54.372.756,96 Euro were totally raised, and following deduction of issuance costs of 703.327,48, raised to amount 53.669.438,48.

By virtue of the Extraordinary General Meeting of the Shareholders of the Company dated 28.12.2001, the uses related to the expenses of the share capital increase were readjusted by amount 25.942,77, and of the participations in enterprises were readjusted to the equal amount. The exact same thing occurred with the minutes of the BoD on the 13.12.2002 of amount 13.789,70. Thus, the total of the differentiation rose to the amount of 39.732,47 Euro. The table of the use of the funds raised from the above last share capital increase has as follows:

|   | Type of Investment-Expense    | Expected Use according to the Information Circular | Timetable Materialization according to the Information Circular | Differentiation Uses/investments | Readjustment Uses/Investments | Achieved Investment/Expense until 31.12.2001 | Achieved Investment/Expense until 31.12.2002 | Amount which has not been disposed |
|---|-------------------------------|--|---|----------------------------------|-------------------------------|--|--|------------------------------------|
| 1 | Issuance Expenses             | 663.595,01   | Promptly  | +39.732,47                       | 703.327,48                    | 689.537,78                                   | 703.327,48                                   | 0,00                               |
| 2 | Participations in Enterprises | 53.709.170,95                                      | Promptly  | -39.732,47                       | 53.669.438,48                 | 53.638.127,70                                | 53.669.438,48                                | 0,00                               |
|   |                               | 54.372.765,96                                      |   | 0,00                             | 54.372.765,96                 | 54.327.665,48                                | 54.372.765,96                                | 0,00                               |

Until 31.12.2002 the whole raised amount of Euro 54.372.765,96 had been used.

**2. BUSINESS PLAN**

The funds that will be raised following the proposed share capital increase, after the deduction of the relative issue expenses, will be used for investments in the following sectors:

- Real Estate
- Reinsurance
- Investments in Collateral Fund Obligations - CFO's and
- Other Private Equity investments

The funds that will be raised from the share capital increase along with funds that might be raised through bank debt, will offer the company the possibility to further increase its investment portfolio with additional assets in business sectors that already operates.

The Company's business objective is to create a broadly diversified platform of investments across a variety of asset classes and become an alternative asset investor and manager, generating consistent and satisfactory returns.

Company's strategy and main investment management guidelines are the following:

\*Diversification of risk and source of revenue away from any one factor such as a manager, geography, sector, instrument or strategy

\* Portfolio balance between liquid, income yielding, relative value strategies that are defensive and consistent, and illiquid, high capital appreciation niche strategies (liquidity generally inversely correlated to return expectation)

\* Focus on risk management including down deviation, portfolio construction, liquidity and proprietary asset recovery capability

Company's indicative schedule / timetable, for the implementation of the business plan is as follows:

| <u>Period of uses of proceeds</u> | <u>Percentage of uses of proceeds</u> |
|-----------------------------------|---------------------------------------|
| D' quarter 2007                   | 50%                                   |
| A' quarter 2008                   | 30%                                   |
| B' quarter 2008                   | 20%                                   |

It is noted that from the detection and the valuation of a specific investment until the completion it is possible to elapse greater period from the initial timetable as well as to occur reasons or/and to involve factors out of the Company's control or influence, resulting in the alteration of the above timetable.

In any case the Company will inform their Shareholders and Investors for any further action, pursuant to the provisions of the Athens Stock Exchange Regulations.

### **3. COMMITMENTS**

The Company's main Shareholders are expected to declare their intentions with regards to the conservation or not of their percentage until the date of the Ordinary General Meeting, which will decide the Share's Capital increase, until the completion of the increase and the listing of the new shares for the period of six months after the date of commencement of the trading of the new shares.

#### **4. ISSUE PRICE - OFFERING PRICE**

The BoD will form a proposition towards Company's Shareholder General Meeting related to the specific terms of the proposed increase, including the amount of the increase, the issue price and the structure of the increase, i.e. with pre-emptive rights in favour of the existing shareholders or upon special recommendation/report of the BoD, with the restriction or abolition of the above mentioned rights in a special meeting which will take place before the Shareholder's General Meeting and will be announced according to the legislation in force.