

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF REDS S.A., FOR THE FINANCIAL YEAR 2006 (ACCORDING TO ARTICLE 11 PAR. 1 & 2 OF LAW No. 3371/2005, AS IT HOLDS).

- 1a. Structure of the Company's share capital.
The Company's share capital amount to 51,889,447.15 euro and is divided into 39,610,265 shares, of nominal value of 1.31 euro each. All shares are common registered with voting rights, listed for trading in the Securities Market of the Athens Stock Exchange, more specifically in the 'Large Cap.' classification.
- 1b. No restrictions are sustained on the shares transfer, according to the Company's Article of association, except for those provisioned by the Law.
- 1c. Significant direct or indirect participations under the provisions of P.D. 51/1992.

	SHAREHOLDER	PERCENTAGE
1	Elliniki Technodomiki TEB S.A.	50,825%
2	Diamantidis P. Diamantis	10,328%

- 1d. There are no owners of shares, which pursuant to constitutive provisions, provide special rights of audit.
- 1e. There are no constitutive restrictions on the voting right and on the deadline of the voting right's exercise, except for those provisioned by the Law.
- 1f. The Company is not aware of any agreements between its shareholders, which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights.
- 1g. There are no rules of appointment and replacement of Board of Directors members, as well as for the amendment of its Articles, that are differed from the provisioned in the codified law 2190/1920.
- 1h. The Board of Directors or certain members of the Board of Directors are not entitled to issue new shares or to purchase of own shares according to article 16 of codified law 2190/1920, except for the Law's specifications.
- 1i. There is no important agreement contracted by the Company, which is entered into effect, is amended, or is expired in case of change in the Company's control following a public offer.
- 1j. There are no agreements contracted by the Company and members of the Board of Directors or its personnel which provisions payment of compensation in case of resignation or release without substantiated reason or in case of termination of their term or employment due to public offer, except for the Law's specifications.

Athens, March 28, 2007
THE BOARD OF DIRECTORS

The President of the BoD
Dimitrios Koutras