babis vovos

Babis Vovos International Construction S.A.

Annual Financial Report for the fiscal year ended 31 December 2008

(In accordance with the provisions of Article 4 L.3556/2007)

Index to the consolidated financial statements

A. Statement of the Board of Directors

(In accordance with the provisions of Law 3556 / 2007 – article 4 – par. 2)

Hereby, it is confirmed that to the best of our knowledge, the annual company and consolidated financial statements of 'Babis Vovos International Construction S.A.', for the fiscal year 2008, have been prepared in accordance with the International Financial Reporting Standards and provide a true and fair view of the Assets, the Liabilities, the own capital and the financial results of the company and the entities included in the consolidated financial statements, taken as a whole.

Furthermore, it is confirmed that to the best of our knowledge, the full year Board of Directors' Report presents in a true way the progress, the performance and the net equity position of the company as well as the companies included in the consolidation in total, with a description of the major risks and uncertainties they confront.

Athens, 30 March 2009

CHAIRMAN OF THE BoD	CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN OF THE BoD
CHARALAMBOS VOVOS	ARMODIOS VOVOS	THALEIA VOVOS
Id. C. No AB 287946	Id. C. No F 015559	Id. C. No P 073106

B. Board of Directors Report of the company "Babis Vovos International Construction S.A." on the consolidated and company financial statements for the fiscal year ended 31 December 2008

Dear shareholders,

We have the pleasure of submitting to you Management Review of the Board of Directors of Babis Vovos – International Construction S.A. for the consolidated and company financial statements for the fiscal year 2008 according to the provisions of L.3556/2007, C.L. 2190/1920 as well as the decision 7/448/11.10.2007 of the Board of Directors of the Capital Market Commission. We inform you the following:

This Annual Financial Report includes all the information according to the provisions of paragraph 7 and 8 of L.3556/2007, the Company and Consolidated Balance Sheet with the Income Statement, the Cash Flow Statement, and the Changes in Equity, the Notes to the financial statements as well as the Independent Auditor's Report. It was prepared based on the applicable legislation and the International Financial Reporting Standards, covers the fiscal year 1/1/2008 - 31/12/2008 and depicts the true and fair view of the Company's and Group's financial structure as at 31/12/2008.

The fiscal 2008 has proven to be one significant year but difficult for BVIC Group. We have fulfilled our objectives of significantly advancing our projects under construction and successfully enhancing our leasing portfolio and development pipeline.

Net Asset value per share for the Group before deferred tax decreased by 26.6% year-on-year to € 14.66. Group NAV per share after deferred tax stood at € 12.06, a 22.8% decrease compared to 2007. The Group's loss after tax for the year was € 120.9 million, compared to € 7.8 million during 2007. These results were mainly driven by negative net fair value adjustments of the Group's investment property compared to 2007. Specifically, net loss from fair value adjustment on investment properties of € 83.4 million was recorded in 2008 (mainly due to impairment in the fair value of the land plot at Aghiou Polycarpou and Aghia Anna Str in Votanikos and to the re-measurement of the fair value of the investment property portfolio based on current market conditions) compared to a € 5 million net gain in 2007 due to the fair value adjustment of the land plot in Votanikos.

1. GROUP FINANCIAL POSITION

Income statements of fiscal years 2007-2008

amounts in thousand €	1/1-31/12/2008	1/1-31/12/2007
Revenue	52,863	101,293
Gross profit / (loss)	12,592	27,387
Earnings / (loss) before interest, tax, depreciation and amortization	(96,243)	23,501
Earnings / (loss) before interest and tax	(96,757)	22,950
Less: tax	50,947	3,887
Profit / (loss) for the year	(120,901)	(7,758)
Attributable to:		
Equity holders of the company	(120,775)	(7,472)
Minority interest	(126)	(286)

Revenue

At 31.12.2008, the consolidated revenue reached at € 52.9 million compared to € 101.3 million approximately of the previous fiscal year decreased by 47.8%. The consolidated revenue is analysed as follows:

amounts in thousand €	1/1 - 31/12/2008	1/1 - 31/12/2007	% change
Rental income	46,772	44,060	6.16%
Property sales	4,724	55,874	(91.55%)
Construction works	1,367	1,310	4.39%
Other	-	50	(100.00%)
Total	**52,863**	**101,293**	**(47.81%)**

The above table indicates that there has been a significant increase in the rental revenue (6.16%). That resulted from new lease agreements that came into effect during 2008 and contributed to rental revenue as well as rent adjustments on the existing lease agreements that include an annual upward revision based on Greek CPI plus 100 basis points.

A significant decrease in the propety sales was also recorded (91.55%). This was mainly due to the fact that, during 2008, property sales mainly included sales of residential units amounting to € 4 million in comparison to 2007 when the revenue recorded from the sale contracts of buildings B and C at the HELEX complex at 108-110 Athens Avenue amounted to € 53.5 million. Revenue from property sales, during 2008, includes revenue from the sale of four apartments located at Patmou & Agrafon street in Maroussi as well as from the sale of six under construction residences located at Building Block 270 in N. Erythrea.

Earnings / (loss) before interest, tax, depreciation, and amortization (EBITDA)

The Group’s loss before interest, tax, depreciation and amortization (EBITDA) at 31.12.2008 reached at € 96.24 million compared to earnings before interest, tax, depreciation and amortization amounting to € 23.5 million approximately of the previous fiscal year.

This decrease was mainly based on the net loss from fair value adjustment on investment property of € 83.4 million (31.12.2007: net gains € 5.4 million). During the previous fiscal year, there were no significant variations in current market values while, at the same time, there was a fair value adjustment of the land plot in Votanikos leading to marginal gains from fair value adjustment of the investment property portfolio. During 2008, there was a net loss from fair value adjustment of investment properties of € 83.4 million mainly referring to the fair value impairment of the land plot in Votanikos as well as the effect of the financial crisis to the current market values of the property portfolio.

Profit / (loss) before tax

At 31 December 2008, the Group recorded a loss before tax of € 171.8 million compared to € 11.6 million of the previous fiscal year. This significant negative variation between the two fiscal years is, as mentioned before, due to the net loss from fair value adjustment on Group investment property as well as the increased financial expenses. Group net financial expenses amounted to € 75 million in comparison to € 35 million of the previous fiscal year. The main reason for this increase is the net loss form fair value adjustment of the interest rate swap agreements which amounted to € 32.4 million. This negative variation to the fair value mainly stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months of 2008.

Profit / (loss) after tax

Group loss after tax for the fiscal year 2008 amounted to € 120.9 million compared to € 7.8 million of the previous fiscal year. During September 2008, new tax legislation changes were announced and enacted referring to the corporate income tax rates. Corporate income tax rates will gradually decrease by 1% annually, from 25% for 2008 and 2009 to 20% for 2014 and after. Consequently, the Group deferred tax liability was reduced by € 23.6 million.

Consolidated Balance Sheets of the fiscal years 2007 – 2008

amounts in thousand €	2008	2007
ASSETS		
Investment property and property, plant and equipment	1,222,844	1,242,347
Intangible assets	18,942	18,934
Inventories	32,545	31,868
Trade and other receivables	85,746	37,212
Cash and cash equivalents	12,858	92,706
Derivative assets	2,380	-
Other assets	596	576
TOTAL ASSETS	**1,375,911**	**1,423,644**
EQUITY & LIABILITIES		
Long-term borrowings	530,315	535,096
Deferred income tax long term liabilities	88,402	147,558
Derivative liabilities	49,167	17,145
Other long-term liabilities	6,413	5,904
Short-term borrowing	230,534	97,254
Derivative liabilities	10,328	3,129
Other short term liabilities	44,732	80,637
Total liabilities	**959,891**	**886,723**
Share capital	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders	398,946	519,721
Capital and reserves attributable to the company's equity holders	*409,125*	*529,900*
Minority interest	6,894	7,020
Total equity	**416,019**	**536,920**
TOTAL EQUITY & LIABILITIES	**1,375,911**	**1,423,644**

Investment property and property, plant and equipment

The Group's investment property and property, plant and equipment have decreased by 1.6% compared to the fiscal year 2007 and reached at € 1,222.8 million versus € 1,242.3 million approximately during the previous fiscal year. This decrease is mainly due to the fair value adjustments of the property portfolio based on current market conditions. The Group's property value increased by more than 100% according to the balance sheet figures from € 456.5 million in 2003 to € 1,222.8 million in the fiscal year 2008 (an increase of approximately 167.9%), reflecting the group strategy, during the last years, in aiming development, retaining and exploiting of its property instead of selling it.

Inventories

The variation in inventories during 2008 (€ 32.5 million) compared to 2007 (€ 31.9 million) results mainly from additional construction costs for the under construction residential properties located at N. Erythrea which are intended to be sold. The total increase of inventories is lower though, since some of the appartments at Patmou & Agrafon Str. in Maroussi as well as residences in N. Erythrea were sold.

Borrowings

During the fiscal year 2008, the Group's new borrowings amounting at € 218.9 million refers, almost at 70%, to new borrowings of the parent company. Part of the new borrowings amounting to € 113.7 million concerns new bank borrowings of the company with the intention of financing the under construction properties – mainly the construction of the shopping mall in Votanikos, the tourist developments in Sounio and Poros. However, part of the new borrowings is used as working capital as well. Additionally, during 2008, there was a revision of the sale and leaseback agreement for the building complex at Delta Falirou based on the rental growth that has occurred over the last few years from the lease agreement adjustment of Greek CPI and 100 bps. This revision resulted in an increase of the price by € 17 million for the aforementioned building complex which is recorded as new borrowing. Additionally, two new sale and leaseback agreements were signed during the year amounting at total to € 88.3 million and are referring to the property located at 340 Syggrou Avenue as well as horizontal ownerships at the building located at 1-3 Kifissias Avenue.

Structure of the Group's Borrowings

amounts in thousand €		**2008**	**2007**
Bank borrowings		263,016	217,846
Finance lease liabilities		497,833	414,504
Total borrowings	**(a)**	**760,849**	**632,350**
Cash and equivalent	*(b)*	12,858	92,706
Net Borrowings	**(a) – (b)**	**747,991**	**539,644**

Total borrowings of the Group at December 31st, 2008 are analysed as follows:

amounts in thousand €	**2008**
Bank borrowings	263,016
Sale & lease - back contracts	456,144
Preliminary sale & lease - back contracts	8,000
Build Operate Transfer agreements (BOT)	33,589
Machinery finance leases	100
Total borrowings	**760,849**

Net borrowings represent 56.5% of the gross value of property portfolio (€ 1,323.5 million) as it was determined on the valuation report by the independent and professionally qualified valuer of Colliers International. This proves the significant credit rating of the Group in order to pursue and expand its activities.

Net Asset Value (NAV)

The NAV of the Group, after minority interest, reached at € 409.1 million representing a decrease of 22.8% compared to the previous fiscal year (€ 529.9 million). The main reason of the decrease of NAV during 2008, is that even if the building complex located at 340 Syggrou Avenue was completed leading to a gain from fair value adjustment of € 76.3 million, there was a negative adjustment in fair value of the existing investment properties leading to a total net loss of € 83.4 million. The continuous increase of the Group 's NAV remains the main strategy of the management.

Data per Share for the fiscal years 2007 – 2008

amounts in thousand €	1/1-31/12/2008	1/1-31/12/2007
Earnings/(loss) before interest, tax, depreciation and amortization (1)	(2.84)	0.69
Profit / (loss) before tax (1)	(5.06)	(0.34)
Profit / (loss) for the year (1)	(3.58)	(0.23)
NAV per share before deferred tax	14.66	19.97
NAV per share	12.06	15.62

Notes: *(1) The amounts are before the deduction of minority interest.*

The NAV per share of the Group before deferred tax reached at € 14.66 decreased by 26.6% compared to 2007 (€ 19.97), while the Group's NAV per share after deferred tax reached at € 12.06 decreased by 22.8% compared to 2007 (€ 15.62).

Financial Ratios 2008

Various basic financial ratios for the fiscal years 2008 and 2007 are as follows:

Ratios	Description			2008	2007
Return on total equity	Profit for the period (after tax)	/	Total equity	-29.1%	-1.4%
Interest coverage	EBIT	/	Finance expenses (net)	-1.3	0.7
Total debt ratio	Total liabilities	/	Total assets	69.8%	62.3%
Gearing ratio	Net debt	/	Total equity + Net Debt	64.3%	50.1%

2. RISKS AND UNCERTAINTIES

The Group's activities expose it to a variety of financial risks: market risk (price risk, interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

Property value variation

The Group is exposed to property value variation and lease variation risk. Up to the fiscal year 2006, the Group had continuously increasing net gains from fair value adjustment of existing investment properties. During the fiscal year 2007 and 2008, there was a correction in the values of investment properties and any positive variation was mainly stemming from additions in Investment property portfolio. A continuing decreasing trend of the investment property values, during the second half of 2008, will have negative effect both to the Group financial results and profitability as well as the Group Net Asset Value (NAV). At 31 December 2008, if the value of properties had been 5% higher / lower, while all other variables held constant, company result would have been higher / lower by € 37,800 thousand (2007: € 39,470 thousand) respectively. For the Group, it would have been higher / lower by € 57,152 thousand (2007: € 59,635 thousand) respectively. There would have also been a respective effect on the Group's and company's Net Asset Value.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments (bank and financial institutions credit risk) as well as credit exposure to customers (customer credit risk). The Group co-operates with some of the largest and financially credible banks and financial institutions in the Greek and international market with a minimum rating BBB (Fitch).

The Group has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

Liquidity risk

Liquidity needs are satisfied through the maintenance of sufficient cash, the settlement of receivables on a timely basis and keeping committed credit lines available from financial institutions. The ability of the Group to enter into long term lease agreements with an annual upward revision based on Greek CPI plus 100 basis points ensures stability of the Group cash inflows form the investment property portfolio minimising the liquidity risk.

The increasing financing needs for the property portfolio pipeline of the Group are fully covered, until today, through borrowing contracts signed with various financial institutions. At 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand. This amount includes a loan amounting to € 125 million relating to the company project at Votanikos. The suspension of construction works for this project creates uncertainty as far as the future cash flows of the company since the suspension causes a delay to the restructuring of the repayment schedule and the facility amount of this loan which was to be defined through a new loan agreement for the refinancing of the existing loan and its increase for the completion of the construction. Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, give to the company the right to extend the repayment schedule up to 31/3/2010. Company management, assessing all the factors, has proceeded to restructuring actions with the intention of better serving the company working capital needs will have a positive effect on the company efficiency.

Interest rate risk

The Group's interest rate risk mainly arises from long-term borrowings (bank loans and finance leases) derivative liabilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group's borrowings are denominated in euro with variable interest rates. A possible increasing trend for the interest rates 2009 will result into an increase of the Group financial expenses. The Group partly manages its cash flow interest rate risk by using an interest rate swap agreement referring to the sale and leaseback agreements. According to this interest rate swap agreement, which is analysed below, at 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). However, the variability of the interest curves and the uncertainty conditions prevailing during the last months for the markets affect the expectations in the short term and affect the fair value of the derivatives.

At 31 December 2008, if the interest rates on borrowings had been 1% higher / lower, while all other variables held constant, company result would have been lower / higher by € 5,739 thousand (2007: € 1,651 thousand) mainly as a result of higher / lower interest expense on floating rate borrowings. Respectively, for the Group € 7,588 thousand (2007: € 2,402 thousand). There would had also had been a respective effect on the Group's and company's Net Asset Value.

3. FUTURE PROSPECTS AND OUTLOOK

2008 was a very negative year for the prices and valuations of most of the investment assets categories including investment properties. More specifically the bankruptcy of Lehman Brothers investment bank, which caused a material increase of investment risk as well as sharp credit crunch to both corporate and individual clients, had a significant negative impact on the global property market.

As a result, the management of BVIC adjusted its strategy into the new market conditions of negative investors' psychology, lower valuations and significant decrease in gearing. This negative market environment became even worse for BVIC Group following the suspension of its development work in Votanikos project which temporarily has a negative impact on both the value of its property portfolio and its bank financing ability.

The general strategy of the Group is now very conservative aiming to undertake the least possible corporate risk. Under this line the management has set the following goals for the next two years:

1. To proceed to the capital restructuring of the Company especially the short term bank borrowings that amount for euro 216 million. The management has initiated negotiations with its creditors aiming to move forward the payment of both interest and capital of this year's loans to at least a two year period.

2. To pursuit new projects of developing office buildings. The major prerequisite should be to have a secure mandate in place either from a corporate tenant and/or a property buyer or investor. This will make possible the financing of the development with both equity and debt. The secure development of new projects is of material importance for the Group in order to continue generating profit and creating value for its shareholders as well as retain its leading market position while waiting for the final verdict of the Supreme Court on Votanikos project that will make clear if the current business plan of the project will move forward.

3. To avoid liquidation of investment assets in such a negative environment for sellers. The sole exemption could be the Poros project.

4. To continue its best effort along with its legal advisers in getting a positive court decision on the current Votanikos project litigation. This will enable the successful completion and exploitation of the project in the most efficient way.

The inevitable adjustment of the Group's NAV into the new market valuations and current status of the Group's investment projects resulted to a significant NAV decline of 23%. The main management goal on the NAV front is to retain it around the current level and gradually increase it from next year onwards if the market conditions turn more favorable.

4. RELATED-PARTY TRANSACTIONS (IAS 24)

At 31 December 2008, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Sales of goods and services				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	3	15
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	3	-
Key management personnel	-	558	-	558
	-	558	6	573
Sales of services				
Innovative Buildings S.A	3	3	-	-
Promise Cafe Ltd.	79	26	-	-
The Greek Coffee Company S.A.	200	134	-	-
	282	163	-	-
Purchases of goods and services				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	19	124
	-	-	19	124
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	120	121
Services of key management personnel	1,238	1,410	1,227	1,115
	1,238	1,410	1,347	1,236
Key management compensation				
Salaries and other short term employee benefits	1,537	1,350	1,537	1,350

	Consolidated		Company	
Year-end balances arising from sales/purchases of goods/services	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	32,213	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	749	956
Innovative Buildings S.A	3	1	-	1
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	11,024	4,886	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	571	128	553	128
Key management personnel (1)	27,486	598	27,486	598
	39,493	12,309	66,429	49,277
Payables to related parties				
Doma S.A	-	-	8,891	8,626
International Palace Hotel S.A	-	-	3,841	3,850
Alteco S.A	-	-	10,066	10,270
Elfinko S.A.	-	-	26,157	16,398
The Greek Coffee Company S.A.	-	1	-	-
Key management personnel	86	12,580	86	2,870
	86	12,582	49,040	42,014

Note 1: An amount of € 26,930 thousand concerns advance for participation purchase

Excluding the subsidiaries, related parties consist of companies to which the major shareholder of the parent company or members of the top management have strong influence in the decision making process.

Sale and purchase of services and goods from and to related parties are based on the price lists in force and terms that would be available to third parties.

The receivables and payables from and to related parties have no any specific due date and bear no interest.

5. EVENTS AFTER THE BALANCE SHEET DATE

1. Votanikos project update

During January 2009, the three member Committee of Suspensions of the Council of State decided in favour of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

2. Repayment before maturity and re-purchase of the building A located at 24 Kifissias Avenue as well as new sale and leaseback contract with Alpha Leasing.

On March 4th, 2009, the company repaid before maturity of the existing sale and lease back contract and repurchased the Building A of the Building complex located at 24 Kifissias Avenue. The price was set at € 10.4 million which reflects the outstanding principal of the initial sale and leaseback contract for the aforementioned building. At the same date, the company signed a new sale and leaseback contract with Alpha Leasing for the same building. The new sale and leaseback contract includes, exactly as the previous one, the total of horizontal ownerships of Building A of the aforementioned Building complex as well as 204 parking spaces. The new sale and lease back agreement of € 26.4 million signed comes to its maturity on March 4th, 2019 with a duration for 10 years. The interest rate defined is Euribor 3month plus a spread of 2.50%.

6. INFORMATION OF ARTICLE 4 OF L. 3556/2006

This explanatory report of the Board of Directors to the Shareholders General Meeting contains detailed information according to the provisions set out in paragraph 1 article 11a of L.3371/2005.

a. Company's share capital structure

The share capital of 'Babis Vovos International Construction S.A.' amounts to Euro ten million one hundred and seventy nine thousand (10,179,000), divided into thirty three million nine hundred and thirty thousand (33,930,000) ordinary shares with voting right and a par value of Euro thirty cents (0.30) each. The Company's shares are traded on the Athens Stock Exchange market since May 30th, 2001. Each Company share embodies all the rights and obligations prescribed by the Law and the Company's Articles of Association, which does not include provisions more restrictive than the Law itself. Possession of the share title implies rightfully that its holder consents to the Company's Articles of Association and to the legal decisions made by the General Shareholders' Meetings.

Shareholders' liability is limited to the nominal value of held shares. Shareholders participate in the Management and in the Company's profit pursuant to the Law and the provisions of the Articles of Association. The rights and obligations deriving from each share, are transferred on any successor of the shareholder. Shareholders exercise their rights in relation to the Company's Management only through the General Meetings. Shareholders have a preference right over any future increase of the Company's Share Capital depending on their participation in the existing share capital, as defined in article 13, paragraph 5 of C.L. 2190/1920.

Each share provides a voting right. In order for joint holders of a share to have the right to vote, they need to designate to the Company in writing a common representative for that share, who will represent them in the General Meeting. Until designation the exercise of their rights is suspended.

Every shareholder has the right to participate in the General Meeting of the Company's shareholders, either in person, or by proxy. In order for a shareholder to participate in the General Meeting, he should deposit his/her shares in the Company 's Treasury or in the Deposits and Loans Fund or in any Bank in Greece, at least five (5) days prior to the day set for the General Meeting. Proxies should be submitted to the Company within the above deadline. Shareholders who do not comply with the above, can participate in the General Meeting only after the latter's permission.

Shareholders who represent 5 per cent of the paid-up Share Capital:

a. Have the right to request from the Court of First Instance of the district where the Company has its registered office, the audit of the Company pursuant to articles 40, 40e of C.L. 2190/1920, and

b. May request the convention of an Extraordinary General Meeting of shareholders. The Board of Directors is obliged to convene the Meeting within a maximum period of thirty (30) days counting from the day the request was submitted to the Board's Chairman. Shareholders must specify in their request the issues to be resolved at the General Meeting.

Every shareholder may request, ten (10) days prior to the Annual General Meeting, the annual financial statements and the related reports of the Board of Directors and the Company's Auditors.

All persons or legal entities that are shareholders of the Company on the day the financial statements are approved by the Annual General Meeting of the shareholders or on any other day decided, are entitled to a dividend. The dividend of each share is paid to the shareholders at a time and place determined by the Annual General Meeting or by the Board of Directors after specific procurement. The place and manner of payment is announced through press release.

b. Restrictions on the assignment of the Company's shares

The Company's shares may be assigned as stipulated by Law and there are no further restrictions on their assignment set out in the Articles of Association, given that these are freely traded shares listed on the Athens Stock Exchange.

c. Major direct and indirect stake-holding in the meaning of L 3556/2007

The following shareholders hold as at 31/12/2008 directly or indirectly a stake higher than 5% of the total number of shares of the Company:

Shareholder	% Voting rights
Charalambos (Babis) Vovos	37,4162%

d. Shares with special control rights

There are no company shares delivering special control rights to their holders.

e. Restrictions on voting rights

The Company's Articles of Association stipulate no restrictions on the voting rights emanating from the shares thereof.

f. Agreements among shareholders of the Company

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

g. Regulations on the appointment and replacement of Board members and amendments to the Articles of Association

The regulations stipulated in the Company's Articles of Association regarding the appointment and replacement of Board members and amendments thereto, conform to the provisions of C.L. 2190/1920.

h. Authority of the Board to issue new shares or acquire treasury shares

As at 31.12.2008 there are no decisions of the General Meeting of Shareholders that grants power to the Board of Directors to increase the share capital through the issue of new shares or acquire treasury shares according to the provisions of article 16, of the C.L. 2190/1920.

i. Major agreement put in force, amended or terminated in the event of change in the control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

j. Agreements with Board members or staff of the Company

There are no agreements between the Company and its Board members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a public offer.

Translation from the original text in Greek

C. Independent auditor's report

To the Shareholders of the Babis Vovos S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Babis Vovos SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the company and consolidated balance sheet as of 31 December 2008 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to note 6 of the financial statements, which describes certain uncertainties surrounding the Votanikos project, as well as their potential impact on the financial position of the Company and Group which cannot be estimated at present time.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

PricewaterhouseCoopers

Athens, March 31, 2009

D. Annual Financial Statements

Balance sheet

All amounts in Euro thousands

		Consolidated		Company	
	Note	31 December 2008	31 December 2007	31 December 2008	31 December 2007
ASSETS					
Non-current assets					
Investment property	6	1,212,018	1,231,727	824,096	827,569
Property, plant and equipment	7	10,826	10,620	2,080	1,708
Intangible assets	8	18,942	18,934	16,514	16,506
Investments	9	18	18	47,563	47,871
Derivative assets	20	1,791	-	1,791	-
Other non-current receivables	12	578	558	386	370
		1,244,174	1,261,858	892,429	894,024
Current assets					
Inventories	11	32,545	31,868	33,592	35,085
Trade and other receivables	12	85,746	37,212	105,921	67,866
Derivative assets	20	589	-	589	-
Cash and cash equivalents	13	12,858	92,706	11,174	76,429
		131,737	161,786	151,277	179,381
Total assets		**1,375,911**	**1,423,644**	**1,043,706**	**1,073,404**
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital	14	10,179	10,179	10,179	10,179
Share premium	14	36,653	36,653	36,653	36,653
Reserves	15	23,838	23,053	25,244	25,244
Retained earnings		338,455	460,015	175,868	276,912
		409,125	529,900	247,944	348,988
Minority interest		6,894	7,020	-	-
Total equity		**416,019**	**536,920**	**247,944**	**348,988**
LIABILITIES					
Non-current liabilities					
Borrowings	16	530,315	535,096	359,490	423,356
Deferred income tax liabilities	17	88,402	147,558	47,761	91,680
Retirement benefit obligations	18	2,475	2,246	2,346	2,113
Derivative liabilities	20	49,167	17,145	49,167	17,145
Other non-current liabilities	19	3,938	3,658	2,767	2,571
		674,297	705,703	461,532	536,865
Current liabilities					
Trade and other payables	19	27,450	74,055	102,409	134,159
Income tax		15,770	5,257	4,385	3,015
Borrowings	16	230,534	97,254	216,136	46,373
Dividend payable		456	459	456	459
Provisions for other liabilities & expenses	21	1,057	867	517	417
Derivative liabilities	20	10,328	3,129	10,328	3,129
		285,594	181,020	334,230	187,551
Total liabilities		**959,891**	**886,723**	**795,762**	**724,416**
Total equity and liabilities		**1,375,911**	**1,423,644**	**1,043,706**	**1,073,404**

The notes on pages 23 to page 90 are an integral part of these consolidated financial statements.

Income statement

All amounts in Euro thousands

		Consolidated		Company	
	Note	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Revenue	22	52,863	101,293	38,064	87,563
Cost of sales	23	(40,271)	(73,906)	(37,050)	(68,625)
Gross profit		**12,592**	**27,387**	**1,015**	**18,938**
Net gain from fair value adjustment on investment property	6	(83,386)	5,388	(64,334)	22,121
Selling and marketing costs	23	(324)	(986)	(317)	(849)
Administrative expenses	23	(25,363)	(9,226)	(15,139)	(7,219)
Other gains	24	32	1,469	14	157
Other expenses	24	(309)	(1,082)	(275)	(955)
Operating profit		**(96,757)**	**22,950**	**(79,036)**	**32,193**
Gain / (Loss) from investment in subsidiaries	9	-	-	1,629	(6,567)
Finance revenue	25	17,050	11,461	14,893	10,779
Finance expenses	25	(92,141)	(46,056)	(81,311)	(32,726)
Finance expenses (net)	25	(75,091)	(34,595)	(66,418)	(21,946)
Profit before income tax		**(171,848)**	**(11,645)**	**(143,825)**	**3,680**
Income tax expense	27	50,947	3,887	42,781	1,623
Profit for the year		**(120,901)**	**(7,758)**	**(101,044)**	**5,303**
Attributable to:					
Equity holders of the Company		(120,775)	(7,472)	(101,044)	5,303
Minority interest		(126)	(286)	-	-
		(120,901)	(7,758)	(101,044)	5,303
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	28	**(3.56)**	**(0.22)**	**(2.98)**	**0.16**

The notes on pages 23 to page 90 are an integral part of these consolidated financial statements.

Statement of changes in equity

All amounts in Euro thousands

Consolidated statement of changes in equity

	Note	Attributable to equity holders of the Group: Share capital	Share premium	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2007		10,179	36,653	23,053	467,487	7,306	**544,678**
Profit / (loss) for the year		-	-	-	(7,472)	(286)	(7,758)
Balance at 31 December 2007		10,179	36,653	23,053	460,015	7,020	**536,920**
Profit / (loss) for the year		-	-	-	(120,775)	(126)	(120,901)
Transfer to statutory reserve	15	-	-	785	(785)	-	-
Balance at 31 December 2008		10,179	36,653	23,838	338,455	6,894	**416,019**

Company Statement of changes in equity

	Attributable to equity holders of the Company: Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2007	10,179	36,653	25,244	271,609	**343,685**
Profit / (loss) for the year	-	-	-	5,303	5,303
Balance at 31 December 2007	10,179	36,653	25,244	276,912	**348,988**
Profit / (loss) for the year	-	-	-	(101,044)	(101,044)
Balance at 31 December 2008	10,179	36,653	25,244	175,868	**247,944**

The notes on pages 23 to page 90 are an integral part of these consolidated financial statements.

Cash flow statement

All amounts in Euro thousands

		Consolidated		Company	
	Note	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Cash flows from operating activities					
Cash generated from operations	30	(87,569)	17,974	(72,645)	10,681
Interest paid		(48,683)	(40,919)	(37,577)	(27,370)
Income tax paid		(4,456)	(2,296)	(3,492)	(2,660)
Net cash generated from operating activities		**(140,708)**	**(25,241)**	**(113,713)**	**(19,349)**
Cash flows from investing activities					
Additions in investment property (acquisitions & development)	6	(63,677)	(25,159)	(60,860)	(20,755)
Additions in property, plant and equipment & intangible assets	7,8	(855)	(329)	(855)	(329)
Proceeds from sale of property, plant and	30	15	1	-	1
Interest inflow		6,523	6,296	4,370	5,626
Net cash used in investing activities		**(57,994)**	**(19,192)**	**(57,345)**	**(15,457)**
Cash flows from financing activities					
Inflows / (outflows) - derivatives		3,519	5,630	3,519	5,630
Borrowings inflows		218,938	157,340	154,243	156,940
Borrowings payback		(91,097)	(68,955)	(49,162)	(69,041)
Increase / (Decrease) of other short - term financing		(12,503)	(26,216)	(2,793)	(26,751)
Dividends paid to the Company's shareholders	29	(3)	(2,170)	(3)	(2,170)
Net cash used in financing activities		**118,853**	**65,629**	**105,804**	**64,608**
Net increase / (decrease) in cash and cash equivalents		**(79,848)**	**21,196**	**(65,255)**	**29,802**
Cash and cash equivalents at beginning of the year		92,706	71,509	76,429	46,627
Cash and cash equivalents at end of the year	13	**12,858**	**92,706**	**11,174**	**76,429**

The notes on pages 23 to page 90 are an integral part of these consolidated financial statements.

Notes to the financial statements

1 General information

The financial statements include the financial statements of Babis Vovos International Construction S.A ("Company") and the consolidated financial statements of the group which include financial statements of the company and its subsidiaries (together "BVIC"or "Group") for the year ended 31 December 2008 under the International Financial Reporting Standards ("IFRS"). The subsidiaries are provided in Note 9.

The Group is a real estate development and management group with activities in Greece. It is principally involved in developing, managing and leasing out investment property under operating leases.

The Company is incorporated and domiciled in Greece and the address of its registered office as well as its headquarters are located at 340 Kifissias Avenue, N. Psychiko 154 51, Greece. The Group operates in Greece.

The company website is www.babisvovos.com.

The shares of the Company are listed on the Athens Stock Exchange.

The financial statements of the Company and the Group for the year ended 31 December 2008 have been approved for issue by the Board of Directors on March 30th, 2009.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including International Reporting Standards ("IAS"), and the interpretations issued by the International Financial Reporting Interpretations Committee, that have been adopted by the European Union ("EU"), and IFRS that have been issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property and derivative financial instruments at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, it is required the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting year. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the real results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

As indicated in the Balance Sheet of 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand.

Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, provide the company with the right to extend the repayment schedule up to 31/3/2010.

Company management, assessing all the factors referring to the company's future profitability as well as the working capital needs, has proceeded to restructuring actions, which will have a positive effect on the company efficiency.

Nevertheless, due to the significant uncertainty considering the completion of the Votanikos project (see Note 6), company management is not able to know with certainty the positive outcome of all the efforts referred above.

The company and consolidated financial statements have been prepared using generally accepted accounting principles applicable to a going concern. They do not include any adjustments to reflect the possible future effects on Assets and Liabilities and Equity as far as their recoverability and classification is concerned, that may result from the outcome of the Company's inability to continue its business activities as a going concern.

The management has no intention or need of short term liquidation of company assets.

2.2 New standards, interpretations and amendments to published standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards effective for year ended 31 December 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group's financial statements.

Interpretations effective for year ended 31 December 2008

IFRIC 11 – IFRS 2: Group and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007)

This interpretation clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 – Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended 31 December 2008

IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

IAS 23 (Amendment) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009)

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

IFRS 1 (Amendment) "First time adoption of IFRS" and IAS 27 (Amendment) "Consolidated and separate financial statements" (effective for annual periods beginning on or after 1 January 2009)

The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. As the parent company and all its subsidiaries have already transitioned to IFRS , the amendment will not have any impact on the Group's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009)

The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group does not expect that these amendments will have an impact on its financial statements.

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" (<u>effective for annual periods beginning on or after 1 July 2009</u>)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

IFRS 8 "Operating Segments" (<u>effective for annual periods beginning on or after 1 January 2009</u>)

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group will apply IFRS 8 from 1 January 2009.

<u>Interpretations effective after year ended 31 December 2008</u>

IFRIC 13 – Customer Loyalty Programmes (<u>effective for annual periods beginning on or after 1 July 2008</u>)

This interpretation clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

IFRIC 15 - Agreements for the construction of real estate (<u>effective for annual periods beginning on or after 1 January 2009</u>)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. The Group will apply IFRIC 15 from 1 January 2009.

IFRIC 16 - Hedges of a net investment in a foreign operation (<u>effective for annual periods beginning on or after 1 October 2008</u>)

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

<u>Amendments to standards that form part of the IASB's annual improvements project</u>

The amendments set out below describe the key changes to IFRSs following the publication in May 2008 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2009.

IAS 1 (Amendment) "Presentation of financial statements"

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on the Group's financial statements.

IAS 16 (Amendment) "Property, plant and equipment" (and consequential amendment to IAS 7 "Statement of cash flows")

This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The Group will apply this amendment from 1 January 2009.

IAS 19 (Amendment) "Employee benefits"

The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply theses amendments from 1 January 2009. It is not expected that these amendments will have an impact on the Group financial statements.

IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations as there are no loans received from the government.

IAS 27 (Amendment) "Consolidated and separate financial statements"

This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone accounts.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. This amendment is not relevant to the Group.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". This amendment is not relevant to the Group.

IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

IAS 31 (Amendment) "Interests in joint ventures" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in joint venture is accounted for in accordance with with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in terms of IAS 39.

IAS 36 (Amendment) "Impairment of assets"

This amendment requires that were fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets with the exception of rights to transfer building coefficient are amortised using the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.

- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

IAS 40 (Amendment) "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment")

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The Group will apply the IAS 40 (Amendment) from 1 January 2009.

IAS 41 (Amendment) "Agriculture"

This amendment requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "'First-time adoption") (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment prospectively to all partial disposals of subsidiaries from 1 January 2010.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Changes of the Group's ownership interest in subsidiaries are considered transactions between the shareholders and consequently are recorded as equity transactions.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company in its individual financial statements carry the investments in subsidiaries at cost less impairment.

2.4 Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The classification in primary and secondary segment was based on the type and source of Group’s revenues. As a result the Group has classified the business segment analysis as primary while the geographical segment analysis as secondary.

2.5 Foreign currency translation

(a) Functional and presentation currency

All Group companies operate in Greece and measure all items included in their financial statements using the euro which is the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The consolidated financial statements are presented in Euro, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. No material transactions or balances exist in currencies other than the euro.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, land held under operating lease and buildings held under finance lease.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Group and are performed by an independent valuator of Colliers International S.A. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.7 Property plant and equipment

All property plant and equipment is stated at historical cost less depreciation and less any cumulative impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the asset's estimated useful lives, as follows:

– Land	Nil
– Buildings	50 - 60 years
– Mechanical equipment	5 - 7 years
– Vehicles	5 - 7 years
– Fixtures and fittings	3 - 5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at least at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Note 2.9 below).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.8 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 5 years).

Rights for use of building coefficient

The rights to use building coefficient are carried at cost. The cost includes the actual cost incurred to acquire these rights, and the cost of land apportioned to rights of building coefficients not utilised with existing development. These are expected to be utilised when the relevant legislation is enacted that will enable their transfer.

The rights of use of building coefficient are considered as indefinite lived assets and they are not amortised. Instead they are subject to annual test for impairment.

The owner of either (i) a plot of land (whether or not it has been developed) which is compulsorily acquired by a government entity or local municipality or (ii) a building which is classified by the Ministry of Culture or the Ministry of Environment, Urban Planning and Public Works (''YPEHODE'') as being of particular historical or cultural importance may obtain the right to transfer to another plot of land or building within certain designated areas (and subject always to local planning restrictions) any building rights which are unused due to such listing classification or compulsory acquisition.

This right, which is known as a ''building coefficient transfer'' right was introduced in 1979 pursuant to Law 880/1979. However, a series of Council of State (the highest Greek administrative court) decisions in the 1990s repealed Law 880/1979 (and Law 2300/1995 which had instituted a revised building coefficient transfer regime) as being contrary to Article 24 of the Greek Constitution which obliges the Greek State to protect the environment and provide effective urban planning. Law 3044/2002 was subsequently introduced to clarify the situation and permit building coefficient transfer in certain prescribed circumstances including the requirement that such building coefficient transfer can only occur in certain designated areas and, inter alia, only after the urban planning department for the prefecture in which the transferee property is situated, has consented to the transfer.

Currently the right to transfer unused building rights has not been brought into force since Law 3044/2002 requires certain ministerial decisions, environmental audits and/or local municipalities' decisions to come into effect before its application is possible in practice. In addition, a recent Council of State decision (No.569/2004) froze, on the ground that certain sections of Law 3044/2002 were unconstitutional, the implementation of a February 2004 ministerial decision which permitted Law 3044/2002 to be used to transfer unused building rights in the Athens, Thessaloniki and Maroussi municipalities. Recently, a new Council of State decision (No.2366/2007) was issued according to which only some of the provisions of Law 3044/2002 were unconstitutional (article 5 par.4 for definition of "Zones of Coefficient Buying" according to the provisions of Law 880/79) while the transfer of Building Coefficient into property located into "Zones of Acceptance" was defined as non-opposed to the Constitution (article 4 par 1 of Law 3044/2002). Under the context of the above decision, Law 3044/2002 is definitely considered as effective and the process of transferring building coefficient into pre-defined "Zones of Acceptance" can proceed immediately with a decision of the General Secretary of the respective region or the Minister of Environment, Urban Planning and Public Works (''YPEHODE''). Currently certain municipalities (i.e. Municipality of Amaroussio) have initiated the procedure of defining "Zones of Acceptance" for the process of transferring building coefficient into their administrative area. Consequently, the process of transferring building coefficient as defined by Law 3044/2002 is completely valid and respects the Article No. 24 of the Greek Constitution and therefore able to be immediately enacted.

The management believes that Law 3044/2002 will enable the Group (provided that the above described procedure is completed and that will be able to obtain the Municipality's approval, to develop more than 20,000 square meters of building space) to transfer, without the purchase of additional land, unused building rights that already possesses or has the right to acquire, to other properties located in areas where such a transfer is permitted.

2.9 Impairment of non-financial assets

Assets including goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of the year.

2.10 Financial Assets

1. Classification

The investments of the Company and the Group are classified in the following categories. Management determines the classification at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category includes financial assets acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. The Group does not hold any such investments.

(b) Loans and receivables

It includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and there is no intention to dispose. They are included in current assets as trade and other receivables (Note: Trade and other receivables), except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets at other non-current receivables. The group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

(c) Available-for-sale financial assets.

It includes non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. During the year, the Group did not have any such assets.

2. Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit & loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables and financial assets at fair value through profit & loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

Gains or losses arising form the changes in the fair value of financial assets at fair value through profit and loss are recognised in the income statement in the period they occur. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of other gains when the group's right to receive payment is established.

The fair values of quoted investments are based on current market prices. For unquoted investments, the fair values are established using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.12.

2.11 Inventories

Investment properties that are being developed for future sale are reclassified as inventories at their deemed cost, which is the carrying amount at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete redevelopment, when applicable, and selling expenses.

Write-offs and provision for impairment are recognised in the income statement in the period they occur.

2.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement under administrative expenses. Subsequent recoveries of amount written off are credited in the income statement.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, pledged deposits, and other low risk short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Derivative financial instruments

The Group utilises derivative financial instruments to hedge the risks related to future price volatility. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments include interest rate swaps.

Derivative financial instruments with a positive fair value are classified as assets and as liabilities when their fair value is negative.

Any changes in the fair value of derivative financial instruments held for trading are recognised in the income statement as finance cost / income.

2.18 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company' s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee benefits

(a) Pension obligations

The Group companies participate in various defined benefit schemes, which are funded through payments to funds. The payments are determined by the Greek legislation and the funds' regulation. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. The benefits paid to all employees qualify as a post-employment defined benefit plan.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long term Greek Government Bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal; or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Short term benefits

Short term benefits to employees are recognized in the income statement on an accrual basis.

2.20 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the Group, as lessee, is contractually required to restore a leased in property to an agreed condition, prior to release by a lessor, provision is made for such costs as they are identified. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from investment property – rental income, disposal of real estate property, development and construction work.

The recognition of revenue has as follows:

(a) Rental income from investment property and rental income for subleasing third parties' properties for which is also a lessee

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Income from disposal of real estate property

Revenue from the sale of real estate property to third parties are recognised using the "percentage of completion method", measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for the contract.

(c) Income from development and construction work

Revenue from services and real estate management are recognised in the accounting period in which the services are rendered. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

(d) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e) Dividend

Dividend income is recognised when the right to receive payment is established.

2.22 Leases

(a) A group company is the lessee

i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

ii) Finance lease

Leases of assets for which the Group substantially has all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are carried at their fair value.

(b) A group company is the lessor

The Group leases out property only in the form of operating leases. Such property is included in investment property in the balance sheet (Note 6 below).

The Group also subleases horizontal ownerships at properties constructed by the parent company and its subsidiaries for which is also a lessee under operating leasing (see a) i) above.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements only to the extent that is required by law that is 35% of profit after tax and after statutory reserve (also required by law at 5% of profit after tax). The proposed dividend in excess to the above is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

2.24 Comparative figures and rounding

Certain amounts of the previous year's data were reclassified so that they are comparable with the respective ones of the current year. Any differences between these financial statements and the respective amounts in the notes as well as the totals are due to rounding.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management as well as written policies covering specific areas, such as interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

(a) Market risk

Price risk

The Group is exposed to property price and property rentals risk. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

At 31 December 2008, if the value of properties had been 5% higher / lower, while all other variables held constant, company result would have been higher / lower by € 37,800 thousand (2007: € 39,470 thousand) respectively. For the Group, it would have been higher / lower by € 57,152 thousand (2007: € 59,635 thousand) respectively. There would had also been a respective effect on the Group's and company's Net Asset Value.

(b) Credit risk

Credit risk management is carried out on group basis by the finance department. Credit risk arises from cash and cash equivalents, derivative financial instruments (bank and financial institutions credit risk) as well as credit exposure to customers (customer credit risk). The Group co-operates with some of the largest and financially credible banks and financial institutions in the Greek and international market with a minimum rating BBB (Fitch).

The Group has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

At the year end overdue trade receivables which have not been impaired are indicated in Note 12.

(c) Liquidity risk

Liquidity needs are satisfied through the maintenance of sufficient cash, the settlement of receivables on a timely basis and keeping committed credit lines available from financial institutions.

As analysed in the note 2.1 Basis of preparation, at 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand. This amount includes a loan amounting to € 125 million relating to the company project at Votanikos. The suspension of construction works for this project (see note 6) creates uncertainty as far as the future cash flows of the company since the suspension causes a delay to the restructuring of the repayment schedule and the facility amount of this loan which was to be defined through a new loan agreement for the refinancing of the existing loan and its increase for the completion of the construction. Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, give to the company the right to extend the repayment schedule up to 31/3/2010.

Company management, assessing all the factors, has proceeded to restructuring actions with the intention of better serving the company working capital needs will have a positive effect on the company efficiency.

The table below analyses the Group's and company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

All amounts in Euro thousands

	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Consolidated 31 December 2008			
Bank loans	199,150	65,259	-
Finance leases	29,354	190,632	641,109
Trade and other payables	27,450	-	-
Other non-current liabilities	-	-	3,938

	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Consolidated 31 December 2007			
Bank loans	81,550	142,034	-
Finance leases	14,333	162,307	621,494
Trade and other payables	74,055	-	-
Other non-current liabilities	-	-	3,658

	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Company 31 December 2008			
Bank loans	193,950	43,551	-
Finance leases	20,478	135,723	381,418
Trade and other payables	102,409	-	-
Other non-current liabilities	-	-	2,767

	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Company 31 December 2007			
Bank loans	33,550	142,034	-
Finance leases	11,932	124,735	401,704
Trade and other payables	134,159	-	-
Other non-current liabilities	-	-	2,571

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The table below analyses the Group's and company's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

All amounts in Euro thousands

Consolidated and Company 31 December 2008			
Interest rate swaps	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Inflows	63,209	218,065	435,597
Outflows	60,209	211,561	445,366

Interest rate swaps	Consolidated and Company 31 December 2007 -no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Inflows	38,697	157,338	271,693
Outflows	38,805	156,135	242,226

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group's borrowings are denominated in euro with variable interest rates and consequently the exposure to fair value interest rate risk is minimized.

The Group partly manages its cash flow interest rate risk by using an interest rate swap agreement referring to the sale and leaseback agreements. According to this interest rate swap agreement, which is analysed below (Note 20), at 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%).

At 31 December 2008, if the interest rates on borrowings had been 1% higher / lower, while all other variables held constant, company result would have been lower / higher by € 5,739 thousand (2007: € 1,651 thousand) mainly as a result of higher / lower interest expense on floating rate borrowings. Respectively, for the Group € 7,588 thousand (2007: € 2,402 thousand). There would had also had been a respective effect on the Group's and company's Net Asset Value.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (current and non-current borrowings less cash and cash equivalents) divided by the total of equity plus net debt. The gearing ratios at 31 December 2008 and 2007 are presented below:

All amounts in Euro thousands

		Consolidated		Company	
	Note	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Total borrowings	16	760,849	632,350	575,626	469,728
Less: Cash and cash equivalents	13	(12,858)	(92,706)	(11,174)	(76,429)
Net debt		747,991	539,644	564,452	393,299
Total Equity		416,019	536,920	247,944	348,988
		1,164,011	1,076,564	812,396	742,287
Gearing Ratio		**64.26%**	**50.13%**	**69.48%**	**52.98%**

During 2008, there has been an increase in the gearing ratio of the group and the company reaching at 64% and 69% respectively.

The increase in the gearing ratio during 2008 resulted primarily from the increase of borrowings mainly through the new bank loans concerning the financing of the under construction projects of the company (especially the shopping mall in Votanikos) as well as the new sale and leaseback contract of € 80 million referring to the building located at 340 Syggrou Avenue. Additionally, total Group equity decreased by € 121 million mainly due to the decrease of the fair value of the investment properties as well as the increased financial expenses stemming from the increased interest rates during 2008 and the negative variation of fair value of the interest rate swaps.

3.3 Fair value estimation

The fair value of financial instruments traded in an active market (stock exchange) (such as derivatives, securities, bonds, mutual funds) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price and for the financial liabilities the offer price

For investment property fair value estimation see note 2.6.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and market assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less impairment provision of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are as follows:

(a) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

(b) Principal assumptions for management's estimation of fair value

If information on current or recent values for investment properties is not available, the fair values of investment properties are determined using discounted flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance date.

The principle assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements, and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

If the actual final outcome differs by +17% / -17% from management estimates, the Company and Group tax liability would be increased by € 259 thousand / decreased by € 108 thousand respectively.

(d) Outstanding legal claims

The Group recognizes liabilities for outstanding legal claims existed at each balance sheet date. Where the final outcome of these claims is different from the amounts that were initially recorded, such differences will impact the provisions in the period in which such determination is made.

If the actual final outcome is worse for the company or the Group companies, i.e. if it differs from management estimates, the provision will have been increased by € 1.239 thousand for the Group and € 623 thousand for the company.

(e) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost fro pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The present value of the defined benefits is calculated based on the appropriate discount rate (the yield of greek bonds in the same currently that these benefits will be paid and with terms almost similar with the ones of the benefits commitment). Another fundamental assumption relates to salaries' increase. The assumptions used are further illustrated in Note 18.

If the discount rate was increased by 50 basis points form the actuary's estimation then the present value of the unfunded obligations would have been decreased by € 106 thousand for the Group and € 96 thousand for the company.

If the discount rate was decreased by 50 basis points form the actuary's estimation then the present value of the unfunded obligations would have been increased by € 114 thousand for the Group and € 104 thousand for the company.

If the average yearly long term inflation rate was increased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been increased by € 115 thousand for the Group and € 104 thousand for the company.

If the average yearly long term inflation rate was decreased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been decreased by € 107 thousand for the Group and € 97 thousand for the company.

If the future salary increases rate was increased by 50 basis points / decreased by 50 basis points from the actuary's estimation then the effect on present value of the unfunded obligations would have been the same with the respective variation of the average yearly long term inflation rate.

4.2 Critical judgements in applying the Group's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

5 Segment Reporting

5.1 Primary reporting format – business segments

At 31st December 2008, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

The segment results for the year ended 31 December 2008 are as follows:

All amounts in Euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	4,724	1,367	46,772	-	52,863
Operating profit / (loss)	(68,568)	256	(2,793)	(25,652)	(96,757)
Finance expense (net)	-	-	-	-	(75,091)
Profit / (loss) before income tax	**(68,568)**	**256**	**(2,793)**	**(25,652)**	**(171,848)**
Income tax expense	-	-	-	-	50,947
Profit / (loss) for the year	**(68,568)**	**256**	**(2,793)**	**(25,652)**	**(120,901)**

The segment results for the year ended 31 December 2007 are as follows:

All amounts in Euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	55,874	1,310	44,060	50	101,293
Operating profit / (loss)	43,131	137	(10,073)	(10,244)	22,950
Finance expense (net)	-	-	-	-	(34,595)
Profit / (loss) before income tax	**43,131**	**137**	**(10,073)**	**(10,244)**	**(11,645)**
Income tax expense	-	-	-	-	3,887
Profit / (loss) for the year	**43,131**	**137**	**(10,073)**	**(10,244)**	**(7,758)**

Various segment items of significance included in the income statement are presented below:

All amounts in Euro thousands

	Year ended 31 December 2008				
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Lease rental (Note 7)	-	-	(19,877)	-	(19,877)
Net gain from fair value adjustment on investment property (Note 6)	(62,998)	-	(20,388)	-	(83,386)
Impairment of receivables (Note 12)	-	-	-	(9,847)	(9,847)
Provisions	-	-	-	(412)	(412)
Depreciation of property, plant and equipment	(2)	-	(345)	(118)	(465)
Amortisation of intangible assets (Note 8)	-	-	-	(49)	(49)

	Year ended 31 December 2007				
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Lease rental (Note 7)	-	-	(17,289)	-	(17,289)
Net gain from fair value adjustment on investment property (Note 6)	36,187	-	(30,799)	-	5,388
Provisions	-	-	-	(2,311)	(2,311)
Depreciation of property, plant and equipment	(50)	-	(346)	(106)	(503)
Amortisation of intangible assets (Note 8)	-	-	-	(48)	(48)

There are no inter-segment transfers or transactions. Unallocated costs represent corporate expenses.

The segment assets and liabilities at 31 December 2008 are as follows:

All amounts in Euro thousands

	31 December 2008				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	273,494	1,977	1,011,837	88,603	1,375,911
Total Liabilities	286,934	0	496,743	176,213	959,891
Capital expenditure	41,250	-	22,427	855	64,532

The segment assets and liabilities at 31 December 2007 are as follows:

All amounts in Euro thousands

	31 December 2007				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	356,348	1,822	946,157	119,318	1,423,644
Total Liabilities	278,443	35	412,335	195,912	886,723
Capital expenditure	25,223	-	-	265	25,488

Segment assets consist primarily of investment property, property plant and equipment (land, buildings and assets under construction), inventories, trade and other receivables.

Unallocated assets mainly comprise intangible assets, cash & cash equivalents, receivables from other related parties, other receivables, advances and derivative financial instruments.

Segment liabilities consist primarily of borrowings (including finance leases), trade and other payables.

Unallocated liabilities mainly comprise current & deferred income tax liabilities, litigation provisions, employee benefits obligations, derivative financial instruments, dividend payable, amounts due to other related parties and other creditors.

Capital expenditure include additions to Property plant and equipment (Note 7), investment property (Note 6) and intangible assets (Note 8).

Segment assets and liabilities are reconciled to Group's assets and liabilities as follows:

All amounts in Euro thousands

	31 December 2008	
	Assets	**Liabilities**
Segment Assets / Liabilities	1,287,308	783,678
Other investments	18	-
Other non-current receivables	2	-
Other receivables	918	-
Receivables from other related parties	32,966	-
Advances / collateral to financial institutions	19,343	
Prepaid expenses / other advances	41	-
Cash and cash equivalents	12,858	-
Property plant and equipment	1,135	-
Intangible assets	18,942	-
Other creditors	-	691
Amounts due to other related parties	-	77
Trade payables	-	633
Income tax and other taxes	-	22,675
Social securities	-	695
Accrued expenses	-	14
Deferred tax	-	88,402
Employee benefits obligations	-	2,475
Provisions	-	1,057
Derivatives	2,380	59,495
Total	**1,375,911**	**959,891**

	31 December 2007	
	Assets	**Liabilities**
Segment Assets / Liabilities	1,304,326	690,812
Other investments	18	-
Other non-current receivables	2	-
Other receivables	966	-
Receivables from other related parties	6,077	-
Prepaid expenses	16	-
Cash nad cash equivalents	92,706	-
Property plant and equipment	599	-
Intangible assets	18,934	-
Other creditors	-	1,127
Amounts due to other related parties	-	12,582
Trade payables	-	483
Income tax and other taxes	-	10,018
Social securities	-	489
Accrued expenses	-	268
Deferred tax	-	147,558
Employee benefits obligations	-	2,246
Provisions	-	867
Derivatives	-	20,274
Total	**1,423,644**	**886,723**

5.2 Secondary reporting format – geographical segments

The Group realises the total of its sales in Greece.

6 Investment property

All amounts in Euro thousands

	Note	Consolidated	Company
At beginning of year (01.01.2007)		1,194,706	785,039
Additions in investment property / additions in construction costs		25,159	20,755
Transfer from property, plant and equipment	7	13,555	13,555
Transfer from inventory		12,018	11,186
Transfer to inventory		(19,100)	(25,087)
Net gain from fair value adjustments on investment property		5,388	22,121
At end of year (31.12.2007)		**1,231,727**	**827,569**
Additions in investment property / additions in construction costs		63,677	60,860
Net gain from fair value adjustments on investment property		(83,386)	(64,334)
At end of year (31.12.2008)		**1,212,018**	**824,096**

The fair market value of Investment property was re-measured and adjusted at 31 December 2008 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. During the year ended 31 December 2008, no change has occurred to the Group's investment property portfolio concerning asset disposal.

The following amounts relating to investment property have been recognised in the income statement:

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Rental income	31,588	28,667	20,914	19,213
Direct operating expenses arising from investment property that generate rental income	2,765	1,462	1,921	743
Direct operating expenses arising from investment property that did not generate rental income	1,797	795	1,450	633

Additions to investment property

During the year ended at 31 December 2008, the Group was obliged to purchase back, based on court decision, the fourth floor as well as 23 parking spaces at the second and third basement of the building located at 1-3 Kifissias Avenue and 4 Theofanous street from 'Proton Bank'. 'Proton Bank' has acquired 'Omega Securities S.A.' and the above horizontal ownerships had been sold to the latter. 'Omega Securities S.A.' had appealed for the BVIC Group to be obliged to buy back the above mentioned horizontal ownerships based on a repurchase agreement which was signed in the initial sale contract signed by BVIC Group and 'Omega Securities S.A.'.

During April 2008, the parent company as well as the subsidiary 'Babis Vovos International Construction S.A. & Co GP.' signed a sale and lease back agreement with Ethniki Leasing for the aforementioned horizontal ownerships. The sale and lease back agreement of € 6.5 million signed (53.11% for the parent company and 46.89% for the above subsidiary) comes to its maturity on April 25th, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 2.00%. The fair value of the above horizontal ownerships, which are classified as Investment property, was measured by Colliers International as at 31 December 2008. A net gain from fair value adjustment of the above horizontal ownerships amounting to € 1,859 thousand was recorded in the income statement.

During the year ended at 31 December 2008, the construction of the building located at 340 Syggrou Ave. was completed. The above retail and office building includes above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm as well as 393 parking spaces. The property on which the aforementioned building was constructed had been acquired during 2006 through the acquisition of a company.

On January 4th, 2008, the parent company as well as the subsidiary 'Elfinko S.A.' had signed a joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the above mentioned building located at 340 Syggrou Ave. The agreement concerns 100% of the lettable area, the common area and the parking station. More specifically, it concerns 4,578 sqm of office space, 9,185 sqm of retail space, 2,133 sqm of storage space and 393 parking spaces. The sale and lease back agreement of € 80 million signed (60% for the parent company and 40% for Elfinko S.A.) comes to its maturity on January 3rd, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 1.80%.

The fair value of the aforementioned building was measured by Colliers international as at 31.12.2008. A net gain from fair value adjustment amounting to € 76,310 thousand was recorded in the income statement leading to an increase of the NAV per share before deferred tax by € 2.25.

Investment property under construction

Sounio

During January 2008, the last one of the three building permits necessary for the development of three distinct hotel units, with a total above ground area of 12,000 sqm was issued. The development of the land plot in Sounio, which will be starting during the coming months, in a particularly attractive location, will generate significant demand from Greek and foreign hotel operators. The Group intends to secure a long-term lease agreement with a hotel operator to manage the units that will be developed.

Poros - Galatas

The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-completed semi-detached residential units intended for tourist use. The completion of the aforementioned residential units has progressed significantly. Currently, the wall and exterior works have been completed and the development is currently at the level of completing internal works. The completion of the hotel complex including the improvement of the existing hotel unit into a class A' hotel is expected by the first half of 2009. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 December 2008 are included in Investment property under construction.

Votanikos

During 2006, Babis Vovos International Construction S.A. signed the final purchase agreement for the assets owned by ETMA S.A. and HELLATEX S.A., in the area of combined urban regeneration and development of Votanikos. This agreement refers to a total land surface of approximately 100,000 sqm, located in the district of Elaionas in the municipality of Athens. The aforementioned land plots are located within the borders of the Metropolitan intervention and combined urban regeneration and development of the areas of Alexandras Avenue and Votanikos, according to L.3481/2006. According to the provisions of the aforementioned law, the company granted 57% of the total surface to the municipality of Athens ensuring the respective to the total surface building coefficient. Company management has not yet decided for the way of exploitation of the property which is classified under investment property.

During the first quarter of 2007, the demolition permit concerning the existing buildings was issued. The demolition has started during April 2007 and is already completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit concerning part of the underground parking area has been issued and the relative works are at the completion stage. Following the approval of the Environmental Impact Report dated August 29th, 2008, the building permit for the total development of the shopping mall including 80,000 sqm under the ground area as well as 70,000 sqm of above the ground area has been issued. At the beginning of December, while the project was at the stage of reinforced concrete works were being carried out (already reached at the second floor), as well as various works for the completion of the basement area, the Council of State decided upon the temporary suspension of the construction work at Votanikos. This temporary suspension of works followed an appeal submitted by a small number of citizens. During January 2009, the three member Committee of Suspensions of the Council of State decided in favor of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

The development is planned for completion during 2010, during which, the shopping mall will be delivered as 'cold shell' to the tenants. Following the delivery, interior works of the retail shops will be carried out with the intention of being fully operative by the 2010 as well.

At 31 December 2008, the company recorded an impairment of the fair value of land plot in Votanikos with the intention of being conservative due to the given situation above described as well as given the unfavourable financial conditions of the market assessing also the possible delay of the project.

At 31 December, the fair value of the land plot in Votanikos amounted to € 98,718 thousand. A loss from fair value adjustment (impairment) of € 52,538 thousand was recorded in the income statement.

The construction cost of the project, at 31 December 2008, amounted to € 44,583 thousand and is included in the Investment properties. The company has not formed any provision for impairment of the construction cost with a respective charge in income statement since there are alternative ways of exploitation as far as the existing construction is concerned.

At 31 December 2008, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 865,072 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 453,244 thousand. (For 31.12.2007: buildings valued at € 803,978 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 366,637 thousand).

For securing liabilities, guarantees over the investment property amounting to € 278,063 thousand (2007: € 273,828 thousand) for the Group and € 204,642 thousand (2007: € 185,406 thousand) for the company have been provided.

7 Property, plant and equipment

All amounts in Euro thousands

Consolidated	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost					
Balance 1 January 2008	**10,990**	**2,870**	**598**	**135**	**14,593**
Purchases	-	763	35	-	798
Sales	-	(74)	-	-	(74)
Disposals	-	-	(54)	-	(54)
Balance 31 December 2008	**10,990**	**3,558**	**580**	**135**	**15,263**
Accumulated depreciation					
Balance 1 January 2008	**(1,381)**	**(2,191)**	**(401)**	-	**(3,973)**
Depreciation charge	(280)	(226)	(86)	-	(592)
Depreciation write-off due to sale	-	74	54	-	128
Balance 31 December 2008	**(1,661)**	**(2,343)**	**(433)**	-	**(4,437)**
Closing net book amount 31 December 2008	**9,329**	**1,215**	**147**	**135**	**10,826**

Consolidated	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost					
Balance 1 January 2007	**10,990**	**2,746**	**489**	**13,625**	**27,850**
Purchases	-	133	123	65	321
Sales	-	(9)	(14)	-	(23)
Transfer to Investment Property (Note 6)	-	-	-	(13,555)	(13,555)
Balance 31 December 2007	**10,990**	**2,870**	**598**	**135**	**14,593**
Accumulated depreciation					
Balance 1 January 2007	**(1,085)**	**(1,978)**	**(337)**	-	**(3,400)**
Depreciation charge	(296)	(221)	(77)	-	(595)
Depreciation write-off due to sale	-	8	14	-	22
Balance 31 December 2007	**(1,381)**	**(2,191)**	**(401)**	-	**(3,973)**
Closing net book amount 31 December 2007	**9,609**	**678**	**198**	**135**	**10,620**

Company	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost					
Balance 1 January 2008	**2,046**	**2,094**	**545**	**135**	**4,820**
Purchases	-	763	35	-	798
Disposals	-	-	(53)	-	(53)
Balance 31 December 2008	**2,046**	**2,857**	**527**	**135**	**5,565**
Accumulated depreciation					
Balance 1 January 2008	**(996)**	**(1,758)**	**(359)**	-	**(3,112)**
Depreciation charge	(184)	(161)	(81)	-	(426)
Depreciation write-off due to sale	-	-	53	-	53
Balance 31 December 2008	**(1,179)**	**(1,919)**	**(387)**	-	**(3,485)**
Closing net book amount 31 December 2008	**867**	**939**	**140**	**135**	**2,080**

Company	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost					
Balance 1 January 2007	**2,046**	**1,971**	**436**	**13,625**	**18,078**
Purchases	-	133	123	65	320
Sales	-	(9)	(14)	-	(23)
Transfer to Investment Property (Note 6)	-	-	-	(13,555)	(13,555)
Balance 31 December 2007	**2,046**	**2,094**	**545**	**135**	**4,820**
Accumulated depreciation					
Balance 1 January 2007	**(796)**	**(1,610)**	**(300)**	**-**	**(2,706)**
Depreciation charge	(200)	(156)	(72)	-	(428)
Depreciation write-off due to sale	-	8	14	-	22
Balance 31 December 2007	**(996)**	**(1,758)**	**(359)**	**-**	**(3,112)**
Closing net book amount 31 December 2007	**1,050**	**336**	**186**	**135**	**1,708**

There were no impairment charges in 2008 and 2007.

Depreciation expense of € 465 thousand (2007: € 503 thousand) for the Group and € 299 thousand (2007: €351 thousand) for the Company has been charged in the income statement as follows (note 23): € 251 thousand (2007: € 300 thousand) for the Group, € 186 thousand (2007: € 250 thousand) for the Company in cost of sales and € 214 thousand (2007: € 202 thousand) for the Group, € 113 thousand (2007: € 101 thousand) for the Company in administrative expenses respectively.

The category of machinery and motor vehicles includes machinery leased by the Group from third parties under finance leases with the following carrying amounts:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Cost	336	336	-	-
Accumulated depreciation	(109)	(59)	-	-
Closing net book amount	**227**	**277**	**-**	**-**

The category of lands and buildings includes an own-occupied property held by the Group under sale and leaseback agreement for which the fair value was considered as "deemed cost", based on a valuation report by an independent valuer, at May 31st, 2004. The fair value resulted from the valuation was € 8,932 thousand. The analysis of the carrying amounts is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Land cost	3,919	3,919	-	-
Building cost	5,013	5,013	-	-
Accumulated depreciation	(481)	(385)	-	-
Closing net book amount	**8,451**	**8,547**	**-**	**-**

Lease rentals amounting to € 19,877 thousand (2007: € 17,289 thousand) and € 15,918 thousand (2007: € 13,063 thousand) for the Group and the Company respectively, relating to the operating leases of properties (horizontal ownerships), vehicles and other equipment are included in the income statement under cost of sales for the property leases and under administrative expenses.

For securing liabilities, no guarantees over the property plant equipment (2007: -) for the Group and the company have been provided.

8 Intangible assets

All amounts in Euro thousands

Consolidated	**Software licences**	**Purchased rights to transfer building coefficients**	**Total**
Cost			
Balance 1 January 2008	**283**	**18,871**	**19,154**
Purchases	56	-	56
Balance 31 December 2008	**339**	**18,871**	**19,211**
Accumulated depreciation			
Balance 1 January 2008	**(220)**	**-**	**(220)**
Depreciation charge	(49)	-	(49)
Balance 31 December 2008	**(269)**	**-**	**(269)**
Closing net book amount 31 December 2008	**70**	**18,871**	**18,942**

Consolidated	Software licences	Purchased rights to transfer building coefficients	Total
Cost			
Balance 1 January 2007	274	18,871	19,146
Purchases	8	-	8
Balance 31 December 2007	283	18,871	19,154
Accumulated depreciation			
Balance 1 January 2007	(172)	-	(172)
Depreciation charge	(48)	-	(48)
Balance 31 December 2007	(220)	-	(220)
Closing net book amount 31 December 2007	63	18,871	18,934

Company	Software licences	Purchased rights to transfer building coefficients	Total
Cost			
Balance 1 January 2008	283	16,443	16,726
Purchases	56	-	56
Balance 31 December 2008	339	16,443	16,782
Accumulated depreciation			
Balance 1 January 2008	(220)	-	(220)
Depreciation charge	(49)	-	(49)
Balance 31 December 2008	(269)	-	(269)
Closing net book amount 31 December 2008	70	16,443	16,514

Company	Software licences	Purchased rights to transfer building coefficients	Total
Cost			
Balance 1 January 2007	274	16,443	16,718
Purchases	8	-	8
Balance 31 December 2007	283	16,443	16,726
Accumulated depreciation			
Balance 1 January 2007	(172)	-	(172)
Depreciation charge	(48)	-	(48)
Balance 31 December 2007	(220)	-	(220)
Closing net book amount 31 December 2007	63	16,443	16,506

Amortization of € 49 thousand (2007: € 48 thousand) for the Group and the Company has been charged in the income statement (note 23) in administrative expenses.

There were no impairment charges in 2008 and 2007.

Transfer of Building Coefficient rights

The fair value of the rights to transfer building coefficient as determined by a valuation report prepared by Colliers International dated 31 December 2008 amounts to € 38,240 thousand. The difference between the fair value and their cost amounting to € 19,369 thousand has not been recognized in the financial statements.

For securing liabilities, guarantees over the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 12,745 thousand (2007: 12,745 thousand) for the Group and the company have been provided.

9 Investments in subsidiaries and other investments

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Participation to subsidiaries	-	-	55,125	55,125
Other participations	18	18	1	1
Provision for participations impairment	-	-	(7,563)	(7,255)
	18	18	47,563	47,871

In the company income statement, a gain amounting to € 1,937 thousand and a loss amounting to € 6,960 thousand for the years 2008 and 2007 respectively were included. Both amounts concern the result of the subsidiary 'Babis Vovos International Construction S.A & Co. GP'.

During 2008, an increase of the provision for impairment was calculated for participation of the parent company to the subsidiary 'Doma S.A.' amounting to € 308 thousand (2007: decrease of provision € 393 thousand). The total provision for impairment for the participation to the aforementioned subsidiary amounts to € 7,563 thousand (2007: € 7,255 thousand).

The subsidiary companies that are consolidated are:

Company	Percentage %
Babis Vovos International Construction S.A	Parent
Babis Vovos International Construction S.A & Co. GP	99.90%
Doma S.A	98.98%
Alteco S.A.	99.01%
Ergoliptiki - Ktimatiki - Touristiki S.A.	51.00%
"International Palace Hotel S.A."	Included in the consolidation with 51% percentage of ownership through " Ergoliptiki - Ktimatiki - Touristiki S.A." which owns 100% of its share capital
Elfinko S.A.	99.00%

They are all domiciled in Greece.

Analytically:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Babis Vovos International Construction S.A and Co. GP - E.Sylias & Co GP.	11	11	-	-
Babis Vovos International Construction S.A & Co. GP. - Agora C.& Co. GP.	3	3	-	-
Innovative Buildings S.A	-	-	-	-
Ergoliptiki - Ktimatiki -Touristiki S.A. & Co Ltd	3	3	-	-
Doma S.A	-	-	19,004	19,004
Babis Vovos International Construction S.A and Co. GP	-	-	29	29
Ergoliptiki - Ktimatiki -Touristiki S.A.	-	-	2,694	2,694
International Palace Hotel S.A.	-	-	-	-
Alteco S.A.	-	-	10,572	10,572
Elfinko S.A.	-	-	22,825	22,825
Other	1	1	1	1
	18	18	55,126	55,126
Provision for participations impairment				
Doma S.A.	-	-	(7,563)	(7,255)
	18	18	47,563	47,871

There were no disposals of investments during 2008 and 2007.

During 2008 and 2007, there was no new investment to subsidiaries.

10 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

All amounts in Euro thousands

Consolidated
31 December 2008

Assets as per balance sheet	Loans and Receivables	Assets at fair value through the profit and loss	Total
Net trade receivables	3,739	-	3,739
Receivables from other related parties	12,563	-	12,563
Derivative assets	-	2,380	2,380
Other debtors	13,243	-	13,243
Cash and cash equivalents	12,858	-	12,858
Total	**42,404**	**2,380**	**44,784**

Consolidated
31 December 2007

Assets as per balance sheet	Loans and Receivables	Total
Net trade receivables	3,746	3,746
Receivables from other related parties	12,309	12,309
Other debtors	14,444	14,444
Cash and cash equivalents	92,706	92,706
Total	**123,206**	**123,206**

Company
31 December 2008

Assets as per balance sheet	Loans and Receivables	Assets at fair value through the profit and loss	Total
Net trade receivables	2,172	-	2,172
Receivables from subsidiaries	32,961	-	32,961
Receivables from other related parties	6,538	-	6,538
Derivative assets	-	2,380	2,380
Other debtors	11,239	-	11,239
Cash and cash equivalents	11,174	-	11,174
Total	**64,085**	**2,380**	**66,465**

Company
31 December 2007

Assets as per balance sheet	Loans and Receivables	Total
Net trade receivables	2,194	2,194
Receivables from subsidiaries	42,972	42,972
Receivables from other related parties	6,305	6,305
Other debtors	11,291	11,291
Cash and cash equivalents	76,429	76,429
Total	**139,191**	**139,191**

		Consolidated 31 December 2008	
Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	760,849	760,849
Derivative financial instruments	59,495	-	59,495
Total	**59,495**	**760,849**	**820,344**

		Consolidated 31 December 2007	
Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	632,350	632,350
Derivative financial instruments	20,274	-	20,274
Total	**20,274**	**632,350**	**652,624**

		Company 31 December 2008	
Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	575,626	575,626
Derivative financial instruments	59,495	-	59,495
Total	**59,495**	**575,626**	**635,122**

		Company 31 December 2007	
Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	469,728	469,728
Derivative financial instruments	20,274	-	20,274
Total	**20,274**	**469,728**	**490,003**

Credit quality of financial assets

The credit quality of financial assets according to external credit rating (FITCH) is as follows:

All amounts in Euro thousands

	Consolidated		Company	
Cash and cash equivalents	**2008**	**2007**	**2008**	**2007**
A+	2	12	2	12
A-	2,228	14,181	1,981	13,976
BBB+	3,538	5,419	3,451	5,352
BBB	6,995	72,984	5,706	57,049
	12,764	**92,595**	**11,140**	**76,389**

The difference between the above analysis and the financial statements is due to the fact that the above table does not include cash on hand amounting to € 43 thousand (2007: € 58 thousand) for the Group and € 24 thousand (2007: € 32 thousand) for the company as well as deposit balances amounting to € 51 thousand (2007: € 53 thousand) for the Group and € 10 thousand (2007: € 8 thousand) for the company.

All amounts in Euro thousands

	Consolidated		Company	
Derivative assets	**2008**	**2007**	**2008**	**2007**
A-	2,380	-	2,380	-
	2,380	-	**2,380**	-

11 Inventories

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Property Inventory (land plots - buildings	2,790	3,108	647	647
Construction in progress	19,095	20,391	24,035	26,137
Raw Material inventory	1,444	1,381	1,080	1,312
Construction of buildings & civil engineer technical works in progress	305	330	305	330
Downpayments for stocks	12,511	7,696	12,511	7,681
Provision for impairment of construction in progress	(3,586)	(1,022)	(4,986)	(1,022)
Provision for impairment of other inventory	(15)	(15)	-	-
At end of year	32,545	31,868	33,592	35,085

Construction in progress is analysed into the following properties under construction:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
9-13 Patmou & Agrafon street	703	2,476	703	2,476
N. Erythrea - Mortero - Gymnastiriou Str. BB270	7,616	9,668	9,034	11,893
N. Erythrea - Mortero - Gymnastiriou Str. BB271	10,776	8,246	14,298	11,768
Construction in progress	19,095	20,391	24,035	26,137

The cost of inventories recognized as expense and included in cost of sales amounted to € 11,396 thousand (2007: € 34,862 thousand) and € 13,411 thousand (2007: € 34,791 thousand) for the Group and the Company respectively.

For securing liabilities, guarantees over the inventories amounting to € 21,550 thousand (2007: € 23,578 thousand) for the Group and the company have been provided.

12 Trade and other receivables

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Trade receivables	5,214	5,221	2,597	2,619
Less: provision for impairment of trade receivables	(1,475)	(1,475)	(424)	(424)
Net trade receivables	3,739	3,746	2,172	2,194
Prepaid expenses	9,791	6,712	6,603	5,104
Receivables from subsidiaries (Note 33)	-	-	32,961	42,972
Receivables from other related parties (Note 33)	39,493	12,309	33,468	6,305
Advances	20,057	558	19,864	370
Other debtors	27,497	18,852	21,652	14,473
Less: provision for impairment of other receivables	(14,254)	(4,407)	(10,413)	(3,182)
	82,585	34,024	104,135	66,042
	86,324	37,770	106,307	68,236
Less non-current assets: advances	(578)	(558)	(386)	(370)
Current assets	85,746	37,212	105,921	67,866

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, operating in wide spectrum of business sectors.

The accounting value of receivables is approximately the same as their fair value.

The general practice of the company for trade receivables is 90 days. Trade receivables that are less than three months are not considered due. At 31 December 2008, trade receivables amounting to € 2,193 thousand (31 December 2007: € 1,009 thousand) for the Group and € 1,300 thousand (31 December 2007: € 106 thousand) for the company are due but they are expected to be received and, consequently, they are not provided for impairment. The ageing analysis of these trade receivables is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
No later than 3 months	215	102	164	79
3 to 6 months	42	12	32	9
6 to 12 months	1,120	32	1,104	18
Over 1 year	816	863		
	2,193	1,009	1,300	106

During the year, an impairment loss for trade accounts receivable was recognised amounting to € 9,847 thousand for the Group and € 7,230 thousand for the Company (2007: - for the Group and the company) respectively in administration expenses in the income statement.

Movements on the provision for impairment of trade and other receivables for the Group and the Company are as follows:

All amounts in Euro thousands

	Consolidated	Company
At beginning of year (01.01.2007)	5,882	3,607
Impairment loss for trade and other receivables	-	-
At end of year (31.12.2007)	**5,882**	**3,607**
Impairment loss for trade and other receivables	9,847	7,230
At end of year (31.12.2008)	**15,729**	**10,837**

The amounts included in the provision for impairment are generally written-off, when there is no expectation that they will be recovered.

The Group and the Company have no trade and other receivables in foreign currency at 31 December 2008 and 31 December 2007.

Advances include an amount of € 5,000 thousand paid to Credit Suisse according to the provisions of the signed interest rate swap agreement. This amount will be returned to the company on April 2009 according to the provisions of the aforementioned swap agreement bearing interest calculated with a set interest rate of 4.34%. Additionally, advances include an amount of € 14,250 paid to Credit Suisse as cash collateral based on the signed interest rate swap due to the increase in fair value of the transaction amounting to over € 25,000 thousand. This amount is paid as cash collateral and is expected to be gradually returned, bearing interest, with the normalisation of interest variations and the respective positive variation of the fair value of the interest rate swap agreement. At 31.12.2008, the accrued interest on the cash collateral amounted to € 93 thousand. The average interest rate for the calculation was 2.98%.

Long term receivables, included in non-current assets, relate to guarantees paid to third parties in the normal course of the business and do not have specific maturity date.

The Group and the company hold guarantees - collaterals as security for trade receivables (more specifically, receivables from lessees). These guarantees are included in other non-current liabilities (see Trade and other payables) and are usually equal to two monthly leases. At 31 December 2008, the lease guarantees are amounting to € 3,938 thousand (31 December 2007: € 3,658 thousand) for the Group and € 2,767 thousand (31 December 2007: € 2,571 thousand) for the company (Note 19).

At 31 December 2008, the maximum exposure of the Group and the company to credit risk is the fair value of trade and other receivables mentioned above, which approximates their accounting value, less the value of lease guarantees mentioned above.

Other receivables do not include impaired assets unless differently stated.

13 Cash and cash equivalents

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash on hand	43	58	24	32
Site deposits	12,196	66,137	10,589	64,897
Committed deposit accounts	618	26,511	562	11,500
Cash and cash equivalents	12,858	92,706	11,174	76,429

Committed deposit accounts are deposit accounts held as cash collateral for securing bank borrowings. The effective interest rate of committed deposit accounts of the company amounting to € 562 thousand (2007: € 11,500 thousand) for 2008 was 3.649% on average (2007: 4.426%) while for the rest of the committed deposit accounts of the Group subsidiaries amounting to € 56 thousand (2007: € 15,011 thousand) was 3.649% (2007: 4.786%).

14 Share capital

All amounts in Euro thousands

Consolidated

	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2008 / 2007	33,930	0.30	10,179	36,653	46,832

Company

	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2008 / 2007	33,930	0.30	10,179	36,653	46,832

The total authorised number of ordinary shares is 33,930 thousand shares (2007: 33,930 thousand shares) with a par value of € 0.30 per share (2007: € 0.30 per share). All issued shares are fully paid.

15 Reserves

All amounts in Euro thousands

Consolidated

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2007	463	7,622	14,968	23,053
Balance at 31 December 2007	463	7,622	14,968	23,053
Transfer from retained earnings	785	-	-	785
Balance at 31 December 2008	1,248	7,622	14,968	23,838

Company

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2007	74	5,353	19,817	25,244
Balance at 31 December 2007	74	5,353	19,817	25,244
Balance at 31 December 2008	74	5,353	19,817	25,244

(a) Statutory reserve

According to the provisions of articles 44 and 45 of the Cod Law 2190/1920 the formation of the statutory reserve and its potential use is determined as follows: At least 5% of the actual (accounting) net profit of each fiscal year has to be withheld for the formation of a statutory reserve until the accumulated amount reaches at the level of 1/3 of the nominal share capital. The statutory reserve can be used, with the approval of the General Shareholders Meeting, for compensating losses and, consequently cannot be used for any other reason.

(b) Extraordinary Reserve

This category of reserve has been formed with decision by the General Shareholders Meeting during previous fiscal years. Its formation has no specific reason and is subject to be used for each reason that the General Shareholders Meeting decides.

(c) Special-untaxed reserves

Special-untaxed reserves include:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Construction companies' untaxed reserve	13,874	13,874	19,243	19,243
Untaxed reserve for investments	270	270	270	270
Untaxed reserve for tax free income	220	220	204	204
Untaxed reserve under special tax law provisions (1)	110	110	99	99
Untaxed reserve for participation & securities disposal profit	494	494	-	-
	14,968	14,968	19,817	19,817

(1) For this reserve, there has been a tax retention of € 17 thousands which will be set off in case of distribution.

The above reserves can be capitalised and distributed (taking into consideration any relative law provisions into effect) with the approval of the General Shareholders Meeting.

Part of the non-distributed net profit of each fiscal year that derives from un-taxed revenues or revenues under special tax law provision.

In case these reserves are distributed, the company will be obliged to pay the relative tax which will derive after offsetting any tax already paid at the time of their formation.

16 Borrowings

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Non - current				
Bank Borrowings	61,836	134,925	42,836	134,925
Finance lease liabilities	468,479	400,172	316,655	288,431
	530,315	535,096	359,490	423,356
Current				
Bank Borrowings	201,180	82,921	195,658	34,441
Finance lease liabilities	29,354	14,333	20,478	11,932
	230,534	97,254	216,136	46,373
Total borrowings	**760,849**	**632,350**	**575,626**	**469,728**

The Group's exposure to interest rate risk for the bank loans and the interest rate contractual re-pricing dates are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
6 months or less	263,016	217,846	238,494	169,365
	263,016	217,846	238,494	169,365

The maturity of non-current borrowings (excluding finance lease liabilities) is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Between 1 and 2 years	36,136	120,339	31,336	120,339
Between 2 and 5 years	25,700	14,586	11,500	14,586
	61,836	134,925	42,836	134,925

The non- current borrowings maturity (excluding finance leases) is up to 2013.

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 31 December 2008 was 7.61% (2007: 7.07%) for bank borrowings. Due to the interest rate swap signed with Credit Suisse for approximately 1/3 of the above finance lease liabilities (see Derivatives), the Group pays Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). For the remaining finance lease liabilities, which are not included in the aforementioned interest rate swap agreement, the average weighted interest rate as at 31 December 2008 was 6.15% (2007: 6.97%).

The fair value of both the long-term and short-term borrowings at 31 December 2008 approximated their carrying values.

All the Group's borrowings are in Euro.

The Group has the following un-drawn borrowing facilities to cover future corporate needs:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Floating rate:				
Expiring beyond one year	2,500	8,500	2,500	8,500
	2,500	8,500	2,500	8,500

The maturity of finance lease liabilities (up to 2054) is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Finance lease liabilities – minimum lease payments:				
-no later than 1 year	54,282	40,102	38,240	31,460
-later than 1 year and no later than 5 years	190,632	162,307	135,723	124,735
-later than 5 years	633,109	613,494	373,418	393,704
	878,023	815,903	547,381	549,899
Future finance charges on finance leases	(388,189)	(409,399)	(218,248)	(257,536)
Present value of finance lease liabilities	489,833	406,504	329,132	292,363

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
The present value of finance lease liabilities is as follows[(1)]:				
-no later than 1 year	29,354	14,333	20,478	11,932
-later than 1 year and no later than 5 years	105,261	71,238	75,311	56,129
-later than 5 years	355,218	320,934	233,344	224,302
	489,833	406,504	329,132	292,363

(1) In the above consolidated and company data, preliminary sale & leaseback agreement of € 8,000 thousand for the building complex B located at Kifissias Ave & Sina str. is not included. The repayment will begin after the finalisation of the preliminary sale & leaseback agreement. The same applies to comparative data as well.

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	88,402	147,558	47,761	91,680
	88,402	147,558	47,761	91,680

The total movement in deferred income tax is presented below:

All amounts in Euro thousands

	Consolidated	**Company**
Balance at 1 January 2007	153,951	95,358
Debit / (credit) in the income statement	(6,393)	(3,679)
Balance at 31 December 2007	147,558	91,680
Debit / (credit) in the income statement	(59,156)	(43,919)
Balance at 31 December 2008	88,402	47,761

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

All amounts in Euro thousands

Consolidated

Deferred Tax Liabilities	Investment property to fair value	Derivatives	**Total**
Balance 01.01.2007	**203,141**	**-**	**203,141**
Debit / (credit) in the income statement	2,077	-	2,077
Balance 31.12.2007	**205,218**	**-**	**205,218**
Debit / (credit) in the income statement	(48,913)	559	(48,354)
Balance 31.12.2008	**156,305**	**559**	**156,864**

Consolidated

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2007	**(43,654)**	**(356)**	**(444)**	**(1,924)**	**(2,812)**	**(49,190)**
Debit / (credit) in the income statement	(9,385)	6	(114)	511	512	(8,470)
Balance 31.12.2007	**(53,039)**	**(350)**	**(558)**	**(1,413)**	**(2,300)**	**(57,660)**
Debit / (credit) in the income statement	(3,644)	343	64	(6,809)	(758)	(10,802)
Balance 31.12.2008	**(56,683)**	**(6)**	**(494)**	**(8,222)**	**(3,058)**	**(68,462)**

Company

Deferred Tax Liabilities	Investment property to fair value	Derivatives	**Total**
Balance 01.01.2007	**138,015**	**-**	**138,015**
Debit / (credit) in the income statement	5,531	-	5,531
Balance 31.12.2007	**143,546**	**-**	**143,546**
Debit / (credit) in the income statement	(41,114)	559	(40,555)
Balance 31.12.2008	**102,432**	**559**	**102,991**

Company

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2007	**(39,372)**	**5**	**(404)**	**(1,924)**	**(960)**	**(42,656)**
Debit / (credit) in the income statement	(9,802)	6	(124)	511	198	(9,210)
Balance 31.12.2007	**(49,174)**	**11**	**(528)**	**(1,413)**	**(762)**	**(51,866)**
Debit / (credit) in the income statement	4,684	(17)	59	(6,809)	(1,281)	(3,364)
Balance 31.12.2008	**(44,490)**	**(6)**	**(469)**	**(8,222)**	**(2,043)**	**(55,230)**

Deferred tax assets are recognised for tax loss carry – forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. The Group and the company did not recognise deferred income tax assets amounting to € 5,025 thousand (2007: € 5,280 thousand) and € 3,664 thousand (2007: -) in respect of losses amounting to € 24,249 thousand (2007: € 21,122 thousand) and € 17,447 thousand (2007: -) respectively, that can be carried forward against future taxable income up to 2013.

There are no other significant unrecognised deferred tax assets and liabilities.

18 Retirement benefit obligations

The amounts recognised in the balance sheet are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Present value of unfunded obligations	2,354	2,209	2,211	2,132
Unrecognised actuarial losses	120	37	135	(20)
	2,475	2,246	2,346	2,113
Liability in the balance sheet	**2,475**	**2,246**	**2,346**	**2,113**

The amounts recognised in the income statement are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Current service cost	232	174	223	136
Interest cost	106	82	102	68
Net actuarial losses recognised during the year	157	221	162	-
Losses on curtailment	-	(3)	-	(2)
Transfer of personnel	(7)	-	12	319
Total, included in employee benefit expense	**488**	**475**	**499**	**521**

The movement in liability recognised in the balance sheet is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Beginning of the year	2,246	1,797	2,113	1,617
Total expense charged in the income statement (Note 24)	495	475	499	521
Contributions paid (Note 24)	(266)	(26)	(266)	(26)
End of the year	**2,475**	**2,246**	**2,346**	**2,113**

Out of the total expense charged in the income statement, € 229 thousand (2007: € 449 thousand) and € 233 thousand (2007: € 495 thousand) for the Group and the company respectively has been recorded to other gains / expenses – net (note 24).

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Discount rate	5.80%	4.80%	5.80%	4.80%
Future salary increases	5.00%	5.00%	5.00%	5.00%
Average yearly long term inflation rate	2.00%	2.00%	2.00%	2.00%

Assumptions regarding future mortality experience are based on Greek mortality table 1990 for male and female (Ministry of Labour K3-3974/99).

The sensitivity of the present value of unfunded obligations to variations in the principal actuarial assumptions is as follows:

		Consolidated	Company
	Change in principal actuarial assumptions	**Impact on present value of unfunded obligations**	**Impact on present value of unfunded obligations**
Discount rate	Increase 50 basis points	Decrease 4,5%	Decrease 4,4%
Average yearly long term inflation rate	Increase 50 basis points	Increase 4,9%	Increase 4,7%

		Consolidated	Company
	Change in principal actuarial assumptions	**Impact on present value of unfunded obligations**	**Impact on present value of unfunded obligations**
Discount rate	Decrease 50 basis points	Increase 4,9%	Increase 4,7%
Average yearly long term inflation rate	Decrease 50 basis points	Decrease 4,6%	Decrease 4,7%

As far as future salary assumption is concerned, a variation by +50 basis points / -50 basis points from the actuary's estimation, will result in the same effect on present value of the unfunded obligations as the respective variation of the average yearly long term inflation rate.

19 Trade and other payables

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Trade Payables	14,691	10,141	13,772	7,976
Amounts due to subsidiaries (Note 33)	-	-	48,955	39,144
Amounts due to other related parties (Note 33)	86	12,582	86	2,870
Social security and other taxes	8,748	1,602	2,268	1,532
Customer advances	1,016	39,590	777	39,347
Accrued expenses	2,635	9,049	36,288	42,208
Unearned and deferred income	83	908	83	908
Lease Guarantees	3,938	3,658	2,767	2,571
Other creditors	191	184	181	175
Trade and other Payables	31,388	77,713	105,176	136,731
Less long-term liabilities: lease guarantees	(3,938)	(3,658)	(2,767)	(2,571)
Short-term liabilities	27,450	74,055	102,409	134,159

Group and company trade and other payables are interest free.

20 Derivatives

All amounts in Euro thousands

	Consolidated		Company	
Interest rate swaps held for trading	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Non-current assets	1,791	-	1,791	-
Current assets	589	-	589	-
Non-current liabilities	49,167	17,145	49,167	17,145
Current liabilities	10,328	3,129	10,328	3,129

At 31 December 2008, the Group, aiming at low financial cost in the long term, has signed the following interest rate swap agreements.

- Interest rate swap agreement with Lehman Brothers International Europe. According to its provisions, the Company received a prepayment of € 7,000 thousand which actually is the interest calculated on a notional principal of € 70,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 11th 2009. These instalments are calculated as interest on the notional principal with a floating interest rate which varies according to the variations of the index Macro Quantitative Currency Strategies (MarQCuS Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. At 30 June 2008, the fair value of this interest rate swap was € 10,134 thousand (31 December 2007: -). Due to the liquidation process of the above bank, there is no formal update of the aforementioned agreement's fair value as of 31 December 2008 by Lehman Brothers International Europe. The company requested a different bank to calculate the fair value of the aforementioned interest rate swap agreement as at 31 December 2008. According to this valuation, the fair value of the swap agreement amounted to € 6,167 thousand as at year end. A finance revenue of € 833 thousand was recognised in the income statement. Management expects this agreement to have been cleared during the coming months.

- Interest rate swap agreement with Credit Suisse. The agreement refers to interest rate swap for BVIC Group sale and lease back agreements with leasing companies. At 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). The fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. Starting from July 30th, 2009 up to December 30th, 2019 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. The above described negative effect will refer to the calendar days that the conditions do not stand for the period mentioned above. At 31 December 2008, the fair value of this interest rate swap was € 34,045 thousand (31 December 2007: € 4,661 thousand). A finance expense of € 29,384 thousand was recognised in the income statement. The variation of the fair value stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months which affect the expectations in the short term.

- Interest rate swap agreements with Deutsche Bank. During March 2008, the company proceeded to revisions and variations of the interest rate swap agreements with Deutsche Bank. Due to the positive development of the indices and the interest rate curves on which the swap agreements are based, the company management decided to 'lock' part of the benefit from these transactions. More analytically, the company altered the swap agreements the development of which was dependent on the difference between the 10year and the 2year US dollar swap rate. The position concerning the agreement based on variation of the index Forward Rate Bias US Dollar (DBFRUU Index) from time 0 which is the signature date was also closed.

Starting from March 2008, the provisions of the interest rate swap agreements in effect are as follows:

As far as the interest rate swap agreements for notional principal amounting to € 38,000 thousand and € 20,000 thousand are concerned, the company has already paid three instalments (January, July 2007 and January 2008) calculated as interest on the notional principal with an interest rate of 2%. Starting from January 2009, the Company has the obligation to pay 4 yearly instalments and 1 monthly instalment which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date.

As far as the interest rate swap agreement for notional principal amounting to € 100,000 thousand is concerned, there was a new agreement signed to overlay the initial one (exactly reversed provisions for the counterparties – BVIC and Deutsche Bank) so that the net effect for the Group to be zero. This overlay agreement is indicated under Derivatives assets in the Balance sheet. At the same time there was a third swap agreement signed which practically replaces the initial one but acts as its revision modifying the provisions on effect. More specifically, the Company has already paid the first instalment calculated as interest on the notional principal with an interest rate of 1.95% based on the provisions of the initial swap agreement. Starting from March 2008, the initial notional principal amounting to € 100,000 thousand was divided in two parts. For a notional principal of € 21,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date. For the remaining notional principal of € 79,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the average variation of the index EUR DB Balanced Harvest Index (DBHVBEUI Index) from time 0 which is the signature date

All the above indices' level is announced daily at Bloomberg website. According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero. Additionally, there is a strong possibility that the company will eventually pay back an amount lower than the one received as interest calculated on a notional principal of the agreements since the minimum coupon is defined at zero.

At 31 December 2008, the net fair value of all the interest rate swap agreements with Deutsche Bank amounted to € 16,903 thousand (31 December 2007: € 15,613 thousand). A finance expense of € 12,810 thousand as well as a finance revenue of € 8,976 thousand were recognised in the income statement.

The notional principal for all the above interest rate swap agreements in effect as at 31 December 2008 was € 768,371 thousand (2007: € 470,719 thousand) as far as the current and non current liabilities are concerned and € 100,000 thousand (2007: -) as far as current and non current assets are concerned.

21 Provisions for other liabilities and expenses

All amounts in Euro thousands

	Consolidated	Company
At beginning of year (01.01.2007)	**937**	**437**
Reversal of provision for litigation and claims	(20)	(20)
Use of provision for litigation and claims	(50)	-
At end of year (31.12.2007)	**867**	**417**
New provision for litigation and claims	190	100
At end of year (31.12.2008)	**1,057**	**517**

Provisions for other liabilities and expenses include provisions for possible liabilities relating to litigation and claims which were pending against the Group companies (see note 31).

During the year ended at 31 December 2008, a new provision for litigation and claims against the group companies was formed. The provision amounted to € 190 thousand (2007: -) for the Group and € 100 thousand for the company (2007: -) and was included at administrative expenses.

22 Revenue

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Rental income	46,772	44,060	31,967	30,587
Sale of property	4,724	55,874	4,724	55,874
Contruction work	1,367	1,310	1,367	1,037
Other	-	50	6	65
	52,863	101,293	38,064	87,563

The period of leases whereby the Group leases out its investment property under operating leases is 8 years or more.

The period of leases whereby the Group sub-leases horizontal ownerships (building floors, retail shops, parking spaces) for which is also a lessee through operating leases have a duration of 8 years or more.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
No later than 1 year	47,844	44,879	33,508	31,062
Later than 1 year and no later than 5 years	207,661	179,737	147,162	126,153
Later than 5 years	542,900	594,969	360,968	297,994
	798,406	819,584	541,638	455,209

The contractual lease agreements include only contingent rents. They do not include variable rents in respect of the turnover of the lessees.

Sale of property for the year ended 31 December 2008 include mainly accrued income resulting from the sale contract concerning the building B of the building complex at 108 - 110 Athens Avenue as well as sales of residential units. Sale of property for the year ended 31 December 2007 include accrued income resulting from the sale contracts concerning the buildings B and C of the building complex at 108 – 110 Athens Ave. As far as building B is concerned, the Group signed a final sale contract with the real estate investor “KanAm Grund” on May 18th, 2007. The price was defined at € 47,096 thousand. As far as building C is concerned, the Group had signed a final sale contract with “ALLIANZ S.A.” on November 24th, 2006. The price had been defined at €

17,500 thousand. The revenue recorded based on the percentage of completion of the aforementioned buildings during the year is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Patmou & Agrafon Str.	1,255	1,625	1,255	1,625
108-110 Athens Ave.	769	53,507	769	53,507
N. Erythrea - Mortero - Gymnastiriou Str.				
BB270	2,701	741	2,701	741
	4,724	55,874	4,724	55,874

23 Expenses by nature

All amounts in Euro thousands

Consolidated

	1/1/2008-31/12/2008			
	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	3,342	58	4,328	7,729
Changes in inventories of finished goods and work in progress (Note 11)	11,396	-	-	11,396
Lease expenses	21,205	-	12	21,217
Depreciation of property, plant and equipment (Note 7)	251	-	214	465
Repairs and maintenance	51	-	127	179
Amortisation of intangible assets (Note 8)	-	-	49	49
Marketing	121	252	143	516
Legal and consulting	163	13	866	1,042
Contractors	1,393	-	-	1,393
Travel expenses	4	-	383	386
Provisions	-	-	9,847	9,847
Expenses and provision for litigation and claims	15	-	223	238
Other taxes and duties	-	-	7,865	7,865
Other	2,330	0	1,308	3,638
Total	**40,271**	**324**	**25,363**	**65,958**

Consolidated

	1/1/2007-31/12/2007			
	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	5,743	55	3,638	9,436
Changes in inventories of finished goods and work in progress (Note 11)	34,862	-	-	34,862
Lease expenses	20,185	-	15	20,200
Depreciation of property, plant and equipment (Note 7)	300	-	202	503
Repairs and maintenance	86	-	92	178
Amortisation of intangible assets (Note 8)	-	-	48	48
Marketing	48	208	151	408
Legal and consulting	246	594	478	1,318
Contractors	7,218	-	-	7,218
Travel expenses	0	-	406	406
Provisions	-	-	1,932	1,932
Expenses and provision for litigation and claims	-	-	128	128
Other taxes and duties	-	-	990	990
Other	5,218	129	1,146	6,493
Total	**73,906**	**986**	**9,226**	**84,119**

Company

	1/1/2008-31/12/2008			
	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	3,187	58	4,106	7,352
Changes in inventories of finished goods and work in progress (Note 11)	13,411	-	-	13,411
Lease expenses	16,602	-	48	16,650
Depreciation of property, plant and equipment (Note 7)	186	-	113	299
Repairs and maintenance	51	-	121	172
Amortisation of intangible assets (Note 8)	-	-	49	49
Marketing	-	252	126	378
Legal and consulting	5	7	744	756
Contractors	1,348	-	-	1,348
Travel expenses	4	-	382	386
Provisions	-	-	7,230	7,230
Expenses and provision for litigation and claims	-	-	100	100
Other taxes and duties	-	-	883	883
Other	2,256	0	1,237	3,493
Total	**37,050**	**317**	**15,139**	**52,506**

Company

	1/1/2007-31/12/2007			
	Cost of sales	**Selling and marketing costs**	**Administrative expenses**	**Total**
Employee benefit expense (Note 26)	5,708	55	3,493	9,257
Changes in inventories of finished goods and work in progress (Note 11)	34,791	-	-	34,791
Lease expenses	15,241	-	49	15,290
Depreciation of property, plant and equipment (Note 7)	250	-	101	351
Repairs and maintenance	85	-	90	175
Amortisation of intangible assets (Note 8)	-	-	48	48
Marketing	-	208	123	331
Legal and consulting	246	479	217	941
Contractors	7,106	-	-	7,106
Travel expenses	0	-	406	406
Provisions	-	-	1,041	1,041
Expenses and provision for litigation and claims	-	-	(20)	(20)
Other taxes and duties	-	-	598	598
Other	5,199	107	1,073	6,379
Total	**68,625**	**849**	**7,219**	**76,693**

24 Other Gains / (Expenses)

All amounts in Euro thousands

	Consolidated		**Company**	
Other expenses	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Retirement provision (Note 24)	(229)	(449)	(233)	(495)
Cancellation of preliminary contracts	-	(146)	-	(146)
Tax fines and surcharges	(74)	(445)	(37)	(273)
Robbery	-	(40)	-	(40)
Other	(6)	(2)	(5)	(1)
	(309)	(1,082)	(275)	(955)

	Consolidated		**Company**	
Other gains	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Cancellation of preliminary contracts	(0)	1,302	-	-
Lease compensations	-	154	-	154
Gain from sale of PPE (Note 30)	15	-	-	-
Other compensations	6	3	6	3
Lease Guarantees	0	10	0	0
Social Securities	6	-	5	-
Other	5	1	3	-
	32	1,469	14	157

25 Finance expense (net)

All amounts in Euro thousands

Finance Expenses	Consolidated		Company	
	01/01/2008 - 31/12/2008	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Bank Loan interest and other expenses	16,034	12,465	14,175	9,392
Interest expenses for preliminary SLB agreements and SLB contracts	31,491	30,231	23,028	20,254
Expenses for letters of guarantee	113	490	66	425
Finance Expenses due to IAS 32/39	120	264	111	264
Loss from derivatives	43,751	926	43,751	926
Other	631	1,679	180	1,465
	92,141	46,056	81,311	32,726

Finance Revenue	Consolidated		Company	
	01/01/2008 - 31/12/2008	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Interest received	1,196	2,165	633	1,495
Finance revenue from finance lease	5,327	4,131	3,737	4,131
Finance revenue due to IAS 32/39	3	12	-	-
Gains from derivatives	10,523	5,154	10,523	5,154
	17,050	11,461	14,893	10,779
Finance Expense_Revenue (net)	**(75,091)**	**(34,595)**	**(66,418)**	**(21,946)**

26 Employee benefit expense

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Wages and salaries	14,842	12,516	14,540	11,398
Social security costs	5,072	4,309	4,998	3,938
Pension costs - defined benefit plans (Note 18)	495	475	499	521
Other	199	197	192	159
	20,608	17,497	20,230	16,016

Out of the total employee benefit expense, part is recognised as an expense in the income statement, while the remaining amount is included in construction in progress (inventory if it relates to construction in progress to be sold, or investment property under construction). The classification is as follows:

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Cost of goods sold / Administrative expenses / Selling and marketing	7,729	9,436	7,352	9,257
Other Expenses (Note 24)	229	449	233	495
Construction in progress (included either in inventory or investment property under construction)	12,650	7,611	12,644	6,264
	20,608	17,497	20,230	16,016

The number of employees for the Group and the company as at 31 December 2008 is as follows:

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Number of employees	518	521	512	505

27 Income tax expense

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Income Tax	8,209	2,506	1,137	2,055
Deferred income tax	(59,156)	(6,393)	(43,919)	(3,679)
	(50,947)	(3,887)	(42,781)	(1,623)

During September 2008, tax legislation changes were announced and enacted referring to the corporate income tax rates. Corporate income tax rates will gradually decrease and are summarised as follows:

2009	:	25%
2010	:	24%
2011	:	23%
2012	:	22%
2013	:	21%
2014 and thereafter	:	20%

Deferred tax shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Tax rates used for the measurement are defined by tax laws and the respective tax rates announced and enacted by the balance sheet date.

The deferred tax expense / (income) is analysed as follows:

All amounts in Euro thousands

	Consolidated	Company
Deferred tax expense / (income) resulting from changes in tax rates	(23,576)	(20,361)
Deferred tax expense / (income) due to origination and reversal of temporary differences	(35,580)	(23,558)
Deferred tax expense / (income) for the year	(59,156)	(43,919)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of the applicable profits of the consolidated companies as follows:

All amounts in Euro thousands

	Consolidated		**Company**	
	01/01/2008 - 31/12/2008	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Profit before tax	**(171,848)**	**(11,645)**	**(143,825)**	**3,680**
Tax calculated at domestic tax rates applicable to profits in the respective countries (2008: 25% - 2007: 25%)	(42,962)	(2,911)	(35,956)	920
Differences in tax rates on temporary differences	8,227	602	5,422	-
Income not subject to tax	(8,370)	(1,954)	-	(1,951)
Effect on opening deferred tax due to decreased tax rate in Greece	5,215	797	2,615	2,117
Expenses not deductible for tax purposes	(23,576)	-	(20,361)	-
Utilization of previously unrecognised tax losses	(760)	(4,309)	-	(4,306)
Differences in tax rates for subsidiaries	(121)	-	-	-
Property taxes	444	518	-	459
Prior year tax differences	6,590	1,348	1,137	1,138
Tax losses for which no deferred income tax asset was recognised	4,366	2,023	4,362	-
Tax charge	**(50,947)**	**(3,887)**	**(42,781)**	**(1,623)**

28 Earnings per share

All amounts in Euro thousands

	Consolidated		**Company**	
	01/01/2008 - 31/12/2008	**01/01/2007 - 31/12/2007**	**01/01/2008 - 31/12/2008**	**01/01/2007 - 31/12/2007**
Net profit attributable to shareholders	(120,775)	(7,472)	(101,044)	5,303
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(3.56)	(0.22)	(2.98)	0.16

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

The Company has no dilutive potential ordinary shares, therefore the diluted earnings per share is the same as the basic earnings per share.

29 Dividend per share

No dividend is to be proposed by the Board of Directors to the Annual General Meeting for the year ended 31 December 2008 exactly as for the fiscal year 2007.

The dividends paid in 2008 and 2007 were € 3 thousand (or 0.0001 per share) and € 2,170 thousand (or 0.06 per share) respectively.

30 Cash generated from operations

All amounts in Euro thousands

		Consolidated		Company	
	Note	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Profit before income tax		(171,848)	(11,645)	(143,825)	3,680
Adjustments for:					
– depreciation and amortisation	7,8	514	551	348	399
– (profit) / loss on sale of PPE		(15)		-	
– net gain from fair value adjustment on investment property	6	83,386	(5,388)	64,334	(22,121)
– Provision for inventory impairment	11	2,564	(1,372)	3,964	(1,372)
– Increase in retirement provision	18	229	449	233	495
– Increase in provision for doubtfoul debt	12	9,847	-	7,230	-
– Increase in other provisions		190	1,862	100	1,021
– interest expense	25	48,389	45,130	37,559	31,800
– interest revenue	25	(6,527)	(6,308)	(4,370)	(5,626)
– (income) / loss from derivatives	25	33,228	(4,227)	33,228	(4,227)
– provision for participations impairment	9	-	-	308	(393)
– dividend (income) / loss	9	-	-	(1,937)	6,960
Changes in working capital:					
– trade and other receivables		(58,015)	1,382	(45,098)	(5,089)
– inventories		(3,113)	5,798	(2,344)	5,620
– payables		(26,398)	(8,258)	(22,375)	(465)
Cash generated from operations		(87,569)	17,974	(72,645)	10,681

In the cash flow statement, proceeds from sale of property plant equipment comprise:

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Net book amount		1	-	1
Profit / (loss) on sale of PPE	15	(0)	-	(0)
Proceeds from sale of PPE	15	1	-	1

31 Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the company have given guarantees in the ordinary course of business amounting to € 6,679 thousand (2007: € 49,435 thousand) and € 2,931 thousand (2007: € 45,737 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 December 2008, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 4,266 thousand (2007: € 3,602 thousand) for which a total provision of € 1,057 thousand (€ 867 thousand) for the Group and € 517 thousand (2007: € 417 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 31 December 2007, there were pending court decisions for the cancellation of building permits (Delta Falirou complex, 49 Kifissias Avenue) as far as two buildings are concerned. However, no liability is expected to incur. Additionally, during 2008, a new appeal was submitted against the building permit for the under construction shopping mall in Votanikos (see Note 6). At 31 December 2008, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 16,232 thousand (2007: € 10,519 thousand).

The companies included in the consolidation have been tax audited as follows : the parent company 'Babis Vovos International Construction S.A.' up to the fiscal year 2006, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2006, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2006, 'Doma S.A.' up to the fiscal year 1998, 'International Palace Hotel S.A.' up to the fiscal year 2006, 'Alteco S.A.' up to the fiscal year 2004 and 'Elfinko S.A.' up to the fiscal year 2004. A provision which burdened the fiscal years' results as well as previous fiscal years' results has been formed and there is no expectation that any significant additional liability will incur.

On February 2008, the tax audit for the parent company 'Babis Vovos International Construction S.A.' concerning the fiscal years 2004, 2005 and 2006 was finalised. The tax audit resulted in tax audit differences amounting to € 4,607 thousand. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 1,669 thousand burdened the income statement of 2007.

On June 2008, the tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was completed. The tax audit resulted in tax audit differences amounting to € 11,918 thousand of which, until today, € 10,862 thousand have not been finalised. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 8,476 thousand burdened the income statement of the year ended 31 December 2008 (€ 2,520 thousand in income tax and € 5,956 thousand in administrative expenses). For tax audit differences amounting to € 10,862 thousand, the company has appealed against to administrative courts.

On November 2008, a definite tax settlement of the fiscal years 2003, 2004, 2005 and 2006 for the subsidiary company 'Ergoliptiki – Ktimatiki - Touristiki S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 4.8 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

On November 2008, a definite tax settlement of the fiscal years 2000, 2001, 2002, 2003 and 2004 for the subsidiary company 'Alteco S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 3.0 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

On December 2008, a definite tax settlement of the fiscal years 2003, 2004, 2005 and 2006 for the subsidiary company 'International Palace Hotel S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 2.4 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

32 Other Liabilities

Capital commitments

There are no significant capital commitments at the balance sheet date.

Operating lease liabilities

The Group and the Company lease horizontal ownerships (building floors, retail shops, parking spaces) under non-cancellable operating lease agreements. The leases have varying terms related to the lease escalation, renewal rights and other clauses and have an average lease period of 8 years

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

All amounts in Euro thousands

	Consolidated		Company	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
No later than 1 year	19,073	21,412	15,657	15,301
Later than 1 year and no later than 5 years	47,404	50,030	42,646	45,669
Later than 5 years	19,993	25,578	18,129	23,844
	86,471	97,020	76,432	84,814

33 Related-party transactions

At 31 December 2008, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

All amounts in Euro thousands

	Consolidated		Company	
	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007	01/01/2008 - 31/12/2008	01/01/2007 - 31/12/2007
Sales of goods and services				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	3	15
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	3	-
Key management personnel	-	558	-	558
	-	558	6	573
Sales of services				
Innovative Buildings S.A	3	3	-	-
Promise Cafe Ltd.	79	26	-	-
The Greek Coffee Company S.A.	200	134	-	-
	282	163	-	-
Purchases of goods and services				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	19	124
	-	-	19	124
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	120	121
Services of key management personnel	1,238	1,410	1,227	1,115
	1,238	1,410	1,347	1,236
Key management compensation				
Salaries and other short term employee benefits	1,537	1,350	1,537	1,350

	Consolidated		Company	
Year-end balances arising from sales/purchases of goods/services	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	32,213	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	749	956
Innovative Buildings S.A	3	1	-	1
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	11,024	4,886	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	571	128	553	128
Key management personnel (1)	27,486	598	27,486	598
	39,493	12,309	66,429	49,277
Payables to related parties				
Doma S.A	-	-	8,891	8,626
International Palace Hotel S.A	-	-	3,841	3,850
Alteco S.A	-	-	10,066	10,270
Elfinko S.A.	-	-	26,157	16,398
The Greek Coffee Company S.A.	-	1	-	-
Key management personnel	86	12,580	86	2,870
	86	12,582	49,040	42,014

Note 1: An amount of € 26,930 thousand concerns advance for participation purchase

Excluding the subsidiaries, related parties consist of companies to which the major shareholder of the parent company or members of the top management have strong influence in the decision making process.

Sale and purchase of services and goods from and to related parties are based on the price lists in force and terms that would be available to third parties.

The receivables and payables from and to related parties have no any specific due date and bear no interest.

34 Events after the balance sheet date

1. Votanikos project update

During January 2009, the three member Committee of Suspensions of the Council of State decided in favor of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

2. Repayment before maturity and re-purchase of the building A located at 24 Kifissias Avenue as well as new sale and leaseback contract with Alpha Leasing.

On March 4th, 2009, the company repaid before maturity of the existing sale and lease back contract and repurchased the Building A of the Building complex located at 24 Kifissias Avenue. The price was set at € 10.4 million which reflects the outstanding principal of the initial sale and leaseback contract for the aforementioned building. At the same date, the company signed a new sale and leaseback contract with Alpha Leasing for the same building. The new sale and leaseback contract includes, exactly as the previous one, the total of horizontal ownerships of Building A of the aforementioned Building complex as well as 204 parking spaces. The new sale and lease back agreement of € 26.4 million signed comes to its maturity on March 4th, 2019 with a duration for 10 years. The interest rate defined is Euribor 3month plus a spread of 2.50%.

E. Figures and Information (Consolidated and Company)

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.

Company's No. in the register of Societes Anonymes : 2283/06/B/86/12

Registered Address : 340 Kifissias Avenue, 154 51 N. Psychico

Figures and information for the fiscal year of 1 January 2008 until 31 December 2008
published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards

The figures illustarted below provide summary infromation about the finanical postition and results of Babis Vovos International Construction S.A. and the Group. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Accounting Standards, as well as the auditors' report. Suggestivelly the reader can access the company's web site address where the above mentioned information is listed.

COMPANY DATA

Board of Directors :	***Charalampos Vovos Chairman, Thaleia Vovos Vice-Chairman, Armodios Vovos Chief Executive Officer, Triada Vovos, Evangelia Asimakopoulos, Nicolaas Van Ommen, Kyriaki - Thaleia (Korina) Sylira - Members***
Date of approval of the interim Financial Statements (from which the summary data were derived) :	***March 30th, 2009***
Certified Auditor Accountant :	***Marios Psaltis (SOEL Reg. No. 38081)***
Auditing Firm :	***PriceWaterhouseCoopers S.A. (SOEL Reg. No. 113)***
Type of auditor's opinion :	***Unqualified opinion - emphasis of matter***
Company Web site :	***www.babisvovos.com***

BALANCE SHEET (consolidated and company data)

Amounts in € thousand

		CONSOLIDATED		COMPANY	
		31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
ASSETS					
Investment property		1,212,018	1,231,727	824,096	827,569
Property, plant and equipment		10,826	10,620	2,080	1,708
Intangible assets		18,942	18,934	16,514	16,506
Other non -current assets		2,388	576	49,740	48,241
Inventories		32,545	31,868	33,592	35,085
Trade Receivables		3,739	3,746	2,172	2,194
Cash and cash equivalents		12,858	92,706	11,174	76,429
Other Assets		82,595	33,466	104,338	65,672
TOTAL ASSETS		**1,375,911**	**1,423,644**	**1,043,706**	**1,073,404**
EQUITY AND LIABILITIES					
Share capital		10,179	10,179	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders		398,946	519,721	237,765	338,809
Capital and reserves attributable to the Company's equity holders	(a)	409,125	529,900	247,944	348,988
Minority interest	(b)	6,894	7,020	-	-
Total equity	(c)=(a)+(b)	**416,019**	**536,920**	**247,944**	**348,988**
Long -term borrowings		530,315	535,096	359,490	423,356
Deferred income tax long term liabilities		88,402	147,558	47,761	91,680
Provisions / Other long term liabilities		55,580	23,049	54,280	21,829
Short -term borrowings		230,534	97,254	216,136	46,373
Other short term liabilities		55,060	83,766	118,094	141,179
Total Liabilities	(d)	959,891	886,723	795,762	724,416
TOTAL EQUITY & LIABILITIES	**(e)=(c)+(d)**	**1,375,911**	**1,423,644**	**1,043,706**	**1,073,404**

CASH FLOW STATEMENT (consolidated and company data)

Amounts in € thousand

		CONSOLIDATED		COMPANY	
		1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Operating activities					
Net profit before tax (continued operations)		(171,848)	(11,645)	(143,825)	3,680
Adjustments for:					
Depreciation and amortisation		514	551	348	399
Interest expenses		48,389	45,130	37,559	31,800
Provisions		12,829	939	11,527	145
Results (revenues, expenses, profit, loss) from investment activities		110,073	(15,923)	91,563	(25,408)
Cash generated from operating activities before changes in working capital		(42)	19,052	(2,828)	10,615
Decrease / (increase) of inventory		(3,113)	5,798	(2,344)	5,620
Decrease / (increase) in trade & other receivables		(58,015)	1,382	(45,098)	(5,089)
Increase / (decrease) in short term liabilities (bank liabilities not included)		(26,398)	(8,258)	(22,375)	(465)
Cash flows from operating activities		(87,569)	17,974	(72,645)	10,681
Interest paid		(48,683)	(40,919)	(37,577)	(27,370)
Income tax paid		(4,456)	(2,296)	(3,492)	(2,660)
Net cash generated from operating activities	*(a)*	*(140,708)*	*(25,241)*	*(113,713)*	*(19,349)*
Cash flows from investing activities					
Additions in investment property, Property, plant and equipment & intangible assets		(64,532)	(25,488)	(61,715)	(21,083)
Proceeds from sale of investment property and Property, plant and equipment		15	1	-	1
Interest received		6,523	6,296	4,370	5,626
Net cash used in investing activities	*(b)*	*(57,994)*	*(19,192)*	*(57,345)*	*(15,457)*
Cash flows from financing activities					
Inflows from derivatives		3,519	5,630	3,519	5,630
Borrowings payback (bank loans)		(69,188)	(51,386)	(33,388)	(51,386)
Borrowings payback (finance leases)		(21,909)	(17,570)	(15,773)	(17,655)
Borrowings inflows		218,938	157,340	154,243	156,940
Increase / (Decrease) of other short - term financing		(12,503)	(26,216)	(2,793)	(26,751)
Dividend paid		(3)	(2,170)	(3)	(2,170)
Net cash used in financing activities	*(c)*	*118,853*	*65,629*	*105,804*	*64,608*
Net increase / (decrease) in cash and cash equivalents	*(a) + (b) + (c)*	(79,848)	21,196	(65,255)	29,802
Cash and cash equivalents at beginning of the year		92,706	71,509	76,429	46,627
Cash and cash equivalents at end of the year		**12,858**	**92,706**	**11,174**	**76,429**

INCOME STATEMENT (consolidated and company data)

Amounts in € thousand

	CONSOLIDATED		COMPANY	
	Continued operations		**Continued operations**	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Rental Revenue from Investment Property	31,588	28,667	20,914	19,213
Net gain / (loss) from fair value adjustment on investment property	(83,386)	5,388	(64,334)	22,121
Minus : operating expenses	4,562	2,258	3,370	1,376
Gross profit / (loss) from investing activity	(56,360)	31,797	(46,790)	39,958
Earnings / (loss) before interest and tax	(96,757)	22,950	(79,036)	32,193
Profit / (loss) before taxation	(171,848)	(11,645)	(143,825)	3,680
Net Profit / (loss) for the year - total	(120,901)	(7,758)	(101,044)	5,303
Attributable to:				
Equity holders of the Company	(120,775)	(7,472)	(101,044)	5,303
Minority interest	(126)	(286)	-	-
	(120,901)	(7,758)	(101,044)	5,303
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	(3.5595)	(0.2202)	(2.9780)	0.1563
Earnings / (loss) before interest, tax, depreciation and amortisation	(96,243)	23,501	(78,688)	32,592

CHANGES IN EQUITY (consolidated and company data)

Amounts in € thousand

	CONSOLIDATED		COMPANY	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Total Equity (at 1/1/2008 and 1/1/2007 respectively)	**536,920**	**544,678**	**348,988**	**343,685**
Retained earnings (continued operations)	(120,901)	(7,758)	(101,044)	5,303
Equity balance (31/12/2008 and 31/12/2007 respectively)	**416,019**	**536,920**	**247,944**	**348,988**

Additional data & information:

1. Group companies that are included in the consolidated financial statements with their respective registered office and percentage of ownership are as follows:

Full Consolidation method	*Percentage %*
a. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. Registered office : 340 Kifissias Avenue, N. Psychico	Parent
b. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P. Registered office : 340 Kifissias Avenue, N. Psychico	99.90%
c. DOMA S.A. Registered office : 64 Kifissias Avenue, Maroussi	98.98%
d. ALTECO S.A. Registered office : 340 Kifissias Avenue, N. Psychico	99.01%
e. ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A. Registered office : 340 Kifissias Avenue, N. Psychico	51.00%
f. INTERNATIONAL PALACE HOTEL S.A. Included in the consolidation with 51% percentage of ownership through " ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A." which owns 100% of its share capital. Registered office : 340 Kifissias Avenue, N. Psychico	51.00%
g. ELFINKO S.A. Registered office : 340 Kifissias Avenue, N. Psychico	99.00%

2. The companies included in the consolidation have been tax audited as follows : the parent company 'Babis Vovos International Construction S.A.' up to the fiscal year 2006, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2006, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2006, 'DOMA S.A.' up to the fiscal year 1998, 'INTERNATIONAL PALACE HOTEL S.A.' up to the fiscal year 2006, ALTECO S.A.' up to the fiscal year 2004 and 'ELFINKO S.A.' up to the fiscal year 2004.
3. The Group and Company's Investment properties, as well as inventories and intangible assets, include mortgage amounts to the value of € 312,358 thousand for the Group and € 238,937 thousand for the company to secure borrowings (including sale and leaseback agreements), as at 31/12/2008.
4. At 31/12/2008, there were pending court decisions over injunctions filled against the Group and the Company from third parties, for which a total provision of € 1,057 thousand and € 517 thousand for the Group and the Company respectively was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur.
5. At 31/12/2008, the Group and the Company have formed a total provision amounting to € 5,865 thousand (31.12.2007: € 7,755 thousand) and € 1,469 thousand (31.12.2007: € 3,327 thousand) respectively for probable additional tax liabilities due to tax unaudited fiscal years.
6. Number of employees at the end of year (31/12/2008): Group 518 individuals, Parent company 512 individuals. (31/12/2007: Group: 521, Parent Company: 505)
7. The emphasis of matter in the Independent auditor's report refers to certain uncertainties surrounding the Votanikos project (refer to Note 6 of the Financial Statements), as well as their potential impact on the financial position of the Company and Group which cannot be estimated at present time.
8. Related party transactions at 31/12/2008 :

	CONSOLIDATED	COMPANY
a) Revenue	282	6
b) Expenses	1,238	1,365
c) Receivables	12,007	38,943
d) Payables	-	48,955
e) Remuneration of BoD members and key management personnel	1,537	1,537
f) Receivables from BoD members and key management personnel	27,486	27,486
g) Payables to BoD members and key management personnel	86	86

9. Turnover Analysis according to STAKOD-2003 :

	CONSOLIDATED		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Code 701.1 Development and sale of real estate :	4,724	55,874	4,724	55,874
Code 702.0 Leasing of private real estate :	46,772	44,060	31,967	30,587
Code 452.1 Construction of buildings and civil engineer technical works :	1,367	1,310	1,367	1,037
Code 515.3 Wholesale trade of wood, building material and sanitary goods	-	-	6	15
Code 515.7 Wholesale trade of scrap :	-	50	-	50

10. Any differences to the totals are due to rounding.

F. Information according with the provisions of Article 10 of L.3401/2005

The company, according to the provisions of the current legislation, published and made available to the investment community, during 2008, in the company website www.babisvovos.com (Investors Relation / Investors News) as well as the Athens Stock Exchange website www.athex.gr the information included in the following table:

Date	Subject	Protocol Number
10/01/2008	BVIC Group sale and leaseback agreement for euro 80 million	814
11/01/2008	Hotel Development in Sounio	844
29/02/2008	2008 Financial calendar (Schedule of intended corporate actions)	7073
11/03/2008	Announcement of regulated information according to Law 3556/2007	7832
11/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	7838
14/03/2008	Construction of the basement area underway for the Votanikos Shopping Mall	8454
17/03/2008	2008 Financial calendar update	8687
20/03/2008	Announcement of regulated information according to Law 3556/2007	9121
20/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9122
21/03/2008	Announcement of regulated information according to Law 3556/2007	9317
21/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9318
24/03/2008	Announcement of regulated information according to Law 3556/2007	9494
24/03/2008	Announcement of regulated information according to Law 3556/2007	9495
24/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9496
28/03/2008	Announcement of regulated information according to Law 3556/2007	10167
28/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	10180
31/03/2008	Financial statements according to IFRS	10779
31/03/2008	Financial statements according to IFRS	10781
31/03/2008	Full year 2007 Financial results	10860
31/03/2008	Full year 2007 Financial results (continued)	10861
31/03/2008	Announcement of regulated information according to Law 3556/2007	10955
31/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	10972
01/04/2008	Announcement of regulated information according to Law 3556/2007	11547
01/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11561
02/04/2008	Announcement of regulated information according to Law 3556/2007	11734
02/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11733
03/04/2008	Announcement of regulated information according to Law 3556/2007	11921
03/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11922
04/04/2008	Announcement of regulated information according to Law 3556/2007	12196
04/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12195

Date	Subject	Protocol Number
07/04/2008	Announcement of regulated information according to Law 3556/2007	12378
07/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12379
08/04/2008	Announcement of regulated information according to Law 3556/2007	12507
08/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12508
09/04/2008	Announcement of regulated information according to Law 3556/2007	12661
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