

***Marousi, 02 August 2011***

**Press Release**

**Eurobank Properties: Net Profit €8.20m for the first semester of 2011**

Eurobank Properties' net profit for the 1<sup>st</sup> half of 2011 was €8.20m compared to losses of €3.31m in the respective period of 2010.

The significant increase in net profit is mainly due to three reasons:

- a) Reduced losses from fair value adjustments of investment properties compared to 1<sup>st</sup> half of 2010 (€1.8m vs. €8.8m) mainly due to the stabilization of the values of investment properties abroad.
- b) Reduced income tax expense to €1.1m vs. €5.1m. It should be noted that during the previous period an income tax of €4.4m was recognized from the imposition of extraordinary tax on profits. If the Greek State imposes a similar extraordinary tax for 2010 profits, the amount will be approximately €1.8m.
- c) Improved operating profit, despite the current economic downturn, to €21.094m vs. €20.617m.

The improvement in operating profit is mainly driven by:

- Small increase in rental income to €22.2m vs. €22.1m. (+0,7%) due to the maturing of the investment in Tavros as well as rental increases due to indexation that offset respective reductions given to certain tenants.
- Significant reduction in operating expenses to €2.73m vs. €3.41m. (-20%) as a result of management continuous efforts to reduce costs.
- Increase in interest income to €3.69m vs. €2.80m due to higher term deposit rates prevailing during the period. In addition, there was an increase in interest expense to €2.07m vs. €1.06m due to the investment in Tavros and higher interest rates relating to our entities in Southeastern Europe.

The basic ratios of the Company compared to the previous period are as follows:

- Recurring Adjusted EBIT: €19.45m vs. €18.85m
- Current ratio: 3.9x vs. 3.5x
- Debt to total Assets: 13% vs. 14%
- Loans to Value (LTV): 14% vs. 15%
- Funds from Operations (FFOs): €20.035m vs. €15.511m

Cash and short term deposits as at June 30, 2011 amounted to €144m while outstanding loans amounted to €88m. It should be noted that part of the cash (approximately 38%) from the Share Capital Increase of November 15<sup>th</sup>, 2007, has not been used yet in anticipation for attractive investment opportunities in the near future.

NAV as at June 30<sup>th</sup>, 2011 slightly decreased to €85m or €1.24 per share compared to €1.49 as at December 31<sup>st</sup>, 2010. The decrease is due to the final dividend 2010 paid out in April and the decrease in the fair value of investment property. Based on current share price the Company is trading at approximately 50% discount of its NAV.