BABIS VOVOS
INTERNATIONAL CONSTRUCTION S.A.

Annual Report 2005

www.babisvovos.com

05

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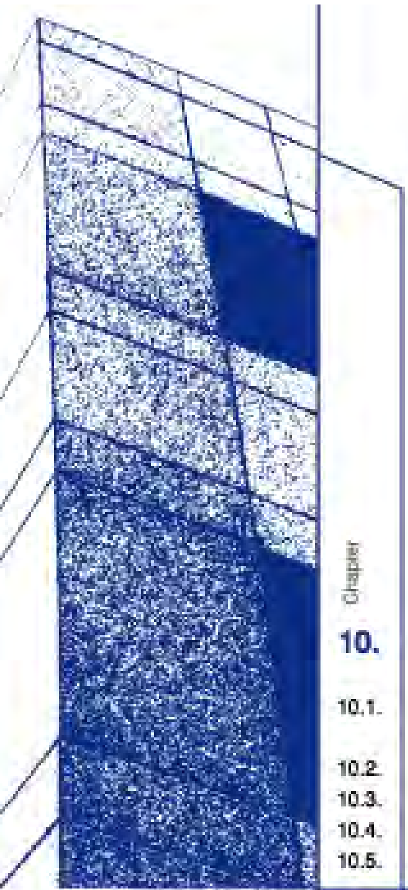

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Financial Highlights

1. Financial Highlights

Gross Fair Market Value of BVIC's property portfolio

€936m

- A valuation increase of 28% vs 2004

Net Fair Market Value of BVIC's property portfolio

€708m

- A valuation increase of 28% vs 2004

EBITDA

€195m

- Up by 5% vs 2004

NAV per share before deferred tax

€17.10

- Up by 39% vs 2004

Rental income

€35m

- Up by 12% vs 2004

Profit before tax

€173m

- Up by 13% vs 2004

Profit after tax

€124m

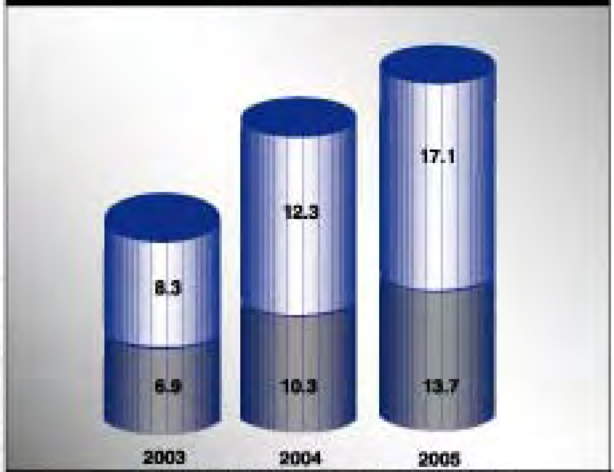
- Fell by 5% vs 2004
- 100% increase of income tax mostly due to deferred tax provision

Fixed financing cost

5.29%

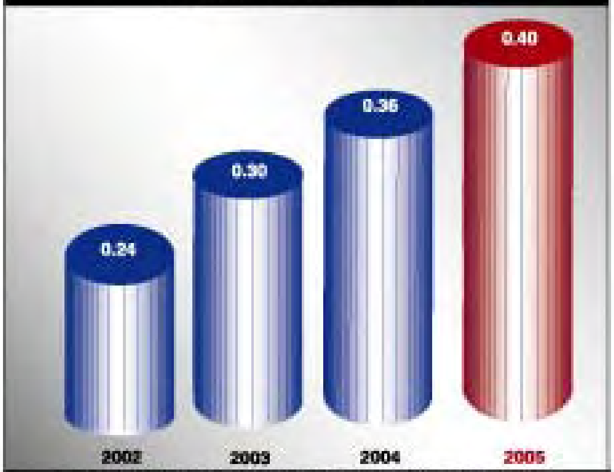
- Floating to fixed interest rate swap for the entire SLB & BOT portfolio

NAV Per Share (€)



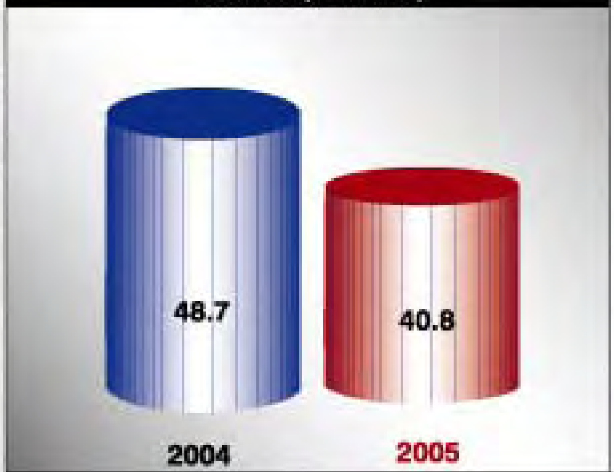
▮ NAV per share before deferred tax
▮ NAV per share

Dividend Per Share (€)

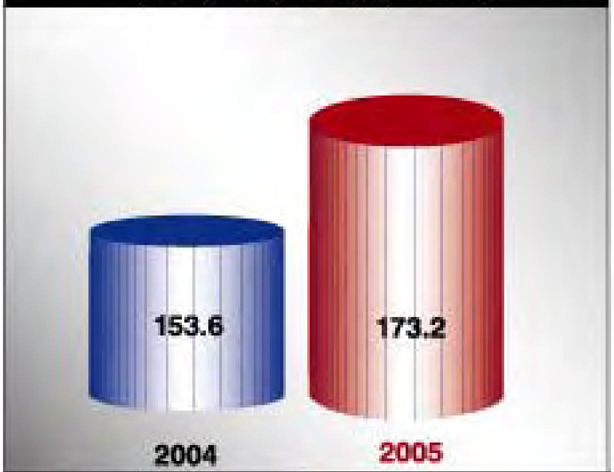


The Board of Directors will propose a dividend payment of €0.40 per share at the AGM

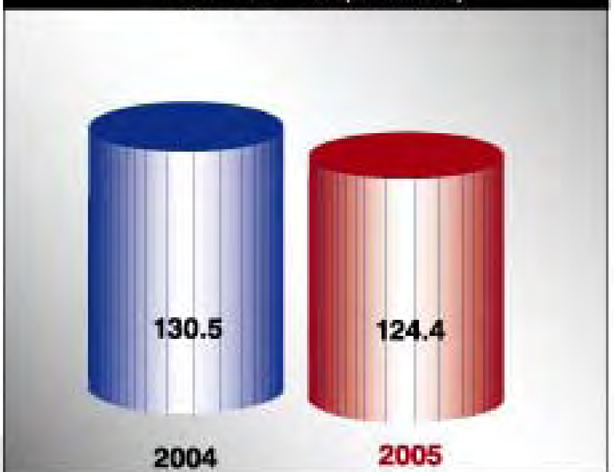
Revenue (€ million)

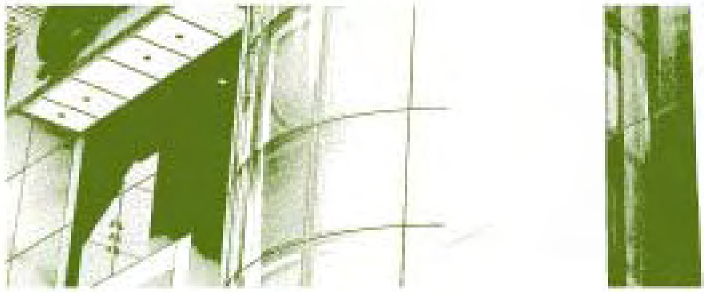


Earnings Before Tax (€ million)



Profit After Tax (€ million)





Corporate Profile

Development and Planning

Building Constuction

Sale or Lease

Facilities' Management

2. Corporate Profile

MARKET LEADING POSITION IN THE OFFICE SECTOR

DIVERSIFYING INTO THE RETAIL AND TOURIST DEVELOPMENT SECTORS

Babis Vovos International Construction S.A. ('BVIC') is the leading Greek real estate developer, owner and manager. Our core business is the office property market, with a gradual shift in our strategy over the past few years from property development and sale to the retention of strategic assets in prime locations. BVIC is also entering other high growth markets such as the retail and tourist property markets, together with the refinement of its business model in order to maximise shareholder value.

PROPERTY PORTFOLIO GROSS FAIR MARKET VALUE OF € 936 MILLION

WE OWN AND MANAGE OVER 200,000 SQM OF PROPERTY

BVIC has grown from nearly 20,000 sqm under ownership in 2001, to over 200,000 sqm today, valued at € 936 million, by retaining prime assets. Our portfolio is characterised by class A commercial properties around the central arteries of Athens, which offer significant advantages by virtue of their size, location and facilities. As the largest quoted Greek property company by turnover, and, by market capitalisation, BVIC is over twice as large as the rest of the Greek quoted real estate sector combined.

The scale of our business is unique to the Greek market, exactly as our customer-focused approach is. The Group has developed a loyal and broad network of leading national and international corporations as clients, including **Vodafone, LG Electronics, Coca Cola, Cosmote, Media Markt, Carrefour, Microsoft, Siemens, Norton Rose, Telecom Italia Mobile (TIM), Village Roadshow, the Hellenic Exchanges, the Greek Ministry of Public Works and the Greek Athletic Federation.**

100% OCCUPANCY RATE FOR OUR OFFICE PORTFOLIO

We believe that our low vacancy rates are partly due to our strong customer focus, and our average yield of 6.5% is due to the high quality, turn-key projects we develop for our clients. We have been successful in capturing attractive yields while maintaining a low risk level, with a 100% occupancy rate for our office portfolio and a blue chip tenant base.

LONG AND SECURE LEASES, BLUE CHIP TENANTS

ANNUAL LEASE INDEXATION AT CPI AND 100 bps

HIGH RETURNS ON PROPERTY INVESTMENT THROUGH DEVELOPMENT & MANAGEMENT

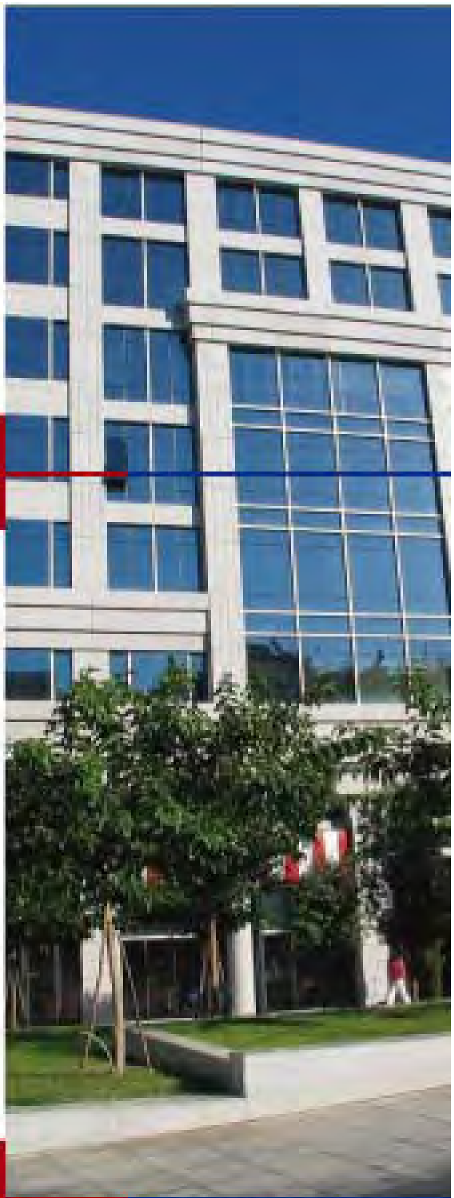
STRONG CUSTOMER FOCUS WITH TAILOR MADE SOLUTIONS THAT MEET OUR TENANTS NEEDS

BVIC is involved in all aspects of property development and investment, from site acquisition and project construction through to the leasing and sale or retention of constructed building. Being able to cover the full spectrum of property development and management activities offers significant advantages in terms of access to deal flow, efficiency, speed and flexibility. We are well known for providing 'turnkey' solutions for our clients, almost all of our projects are committed during the early stages of development enabling us to offer tailor made solutions to our tenants, with average construction periods of 12 to 18 months. The Group has currently signed pre-lease agreements for approximately 22,000 sqm of additional space with 5 of its existing tenants.

Development and Planning

The Group carefully selects the land plots in which it invests, having thoroughly analyzed the broader commercial environment, city planning, public transportation access, and the legal and administrative provisions for the area. BVIC engages in continuous market research for the selection of the most attractive plots, bearing the trends of supply and demand as well as developments in land-construction regulations. in mind.

BVIC is considered a pioneer in the prime office development sector, and its projects often pave the way for an area to establish itself as a prime business location. This was the case with Kifissias Avenue, where BVIC was one the first developers to realise the potential of the area, and develop office parks in an area that is now considered the top business location after the Central Business District (CBD).



Building Construction

The buildings' designs are conducted in co-operation with leading Greek and international architectural companies. The company currently employs almost 500 people in technical crews including subcontractors' crews. BVIC maintains a strong and long-standing relationship with large sub-contractors enabling the Group to easily and rapidly secure all of the employees needed in order to complete a project, while presenting the most cost efficient solution. Following the completion of the infrastructure and construction work conducted in connection with the Athens 2004 Olympics, there is a large supply of experienced technical crews in Greece.

1-3 Kifissias Avenue,
Ministry of Internal Affairs &
Ministry of Public Works

Sale or Lease

During the development process the Group undertakes the sale or leasing and management of properties. BVIC aims to pre-lease or pre-sell its project at the beginning of the construction process. The main criteria used by management in deciding whether to maintain ownership of a development or not are: the location, size and intended use of the building. Currently, BVIC seeks to retain large-scale properties of commercial use in prime locations, since the Group feels this is a low risk strategy. In most of these cases, BVIC finances the development and retention of the property using sale & lease back agreements, which provide an efficient means of financing for the Group.

Facilities' Management

BVIC acts as facilities manager for all the properties it has developed, even in cases where the Group is no longer the property owner. Under these facilities management agreements, BVIC maintains the exterior and common parts of the buildings, helping to maintain the value of the properties, as well as upholding BVIC's strong brand image. It also forms an integral part of the company's strong customer focused approach.

BVIC is a member of the European Public Real Estate Association (EPRA) whose stated mission is to promote, develop and represent the European public real estate sector. EPRA's members include the majority of the leading real estate companies and investment institutions in Europe. Aris Vovos -BVIC's CEO- was appointed a member of the Management Board of EPRA in September 2004. Being included in the EPRA/NAREIT Index helps to raise BVIC's profile among international investors. BVIC is also included in the G.I. Athex, the FTSE/Athex Mid 40 Index, the FTSE Med 100 Index, the MSCI Small Cap Greece and the EFG Eurobank MidCap Private Sector 50 Index, all of which increase its visibility.

109-111 Kifissias Avenue, OTEnet

3 Position and Strategy

3. Position and Strategy

BVIC intends to capitalise on its competitive strengths and concentrate on the fastest growing property sectors in the Greek real estate market. The Group's main strategic goal is to grow its leading position in the domestic office market and to expand into the retail and tourist development markets in order to deliver long-term growth in shareholder value.

BVIC HAS GROWN CONSIDERABLY OVER THE PAST FEW YEARS, AND THE GROUP HAS CREATED A STRONG PLATFORM FOR FUTURE GROWTH

BVIC will continue focusing on the optimisation of its prime asset portfolio in the commercial sector, enhancing property returns and creating attractive long-term investments. This will be achieved by exploiting both the current and future property development pipeline, as well as by acquiring income generating property portfolios. The Group creates value for its portfolio through profitable development, active asset management and an optimal financial structure. Long leases with strong tenants ensure a secure rental income stream and enable the Group to obtain more efficient financing.

Office Sector

The Group has been active in the market since 1974, with extremely strong brand recognition. However, it is only since 2001 that BVIC has started retaining assets it develops, expanding successfully to property developer, owner and manager. The advent of sale and leaseback contracts enabled BVIC to obtain the financing necessary in order to maintain ownership of its development. In the past 4 years, the Group has added over € 600 million of assets to its portfolio. BVIC's strategy has been committed to keeping large - scale, class A commercial buildings in prime locations. The Group disposes of the assets that do not meet the Group's risk adjusted return targets. These sales provide a cost effective source of capital for BVIC and generate cash for dividends

BVIC CLEARLY HOLDS THE LEADING POSITION IN THE OFFICE REAL ESTATE SECTOR WITH ITS OFFICE PORTFOLIO AT 100% OCCUPANCY RATE

The portfolio is characterised by a blue chip tenant base, with minimum 12 year closed lease agreements. The tenants opt out of the legal 2 year break option since BVIC delivers tailor made turnkey solutions for them. The most significant lease agreements provide a secure long-term stream of cash in flows, since their duration is usually over 12 years.

BVIC produces sustainable, recurrent results by capitalising on its strong competitive advantage, comprising in-depth knowledge of the markets, and access to deal flow, building on the Group's track record. A clear example of this is was in Nov 2005, when BVIC was awarded the development of the Hellenic Exchanges (Helex) new headquarters at Athens Avenue. The Group will be developing 6,700 sqm for Helex, and a further 17,000 sqm of office space on the land plot. Given the anchor tenant and the strong regeneration of the area, this project should produce attractive returns for the Group. The shortage of sites available on Kifissias Avenue has driven BVIC to start looking towards other relatively cheaper areas, such as Syngrou and Athens Avenue. Many corporations and governmental bodies have announced their intention to relocate from the CBD to other, more fringe areas, therefore the demand for these areas is growing. The restricted supply as well as the high barriers to entry, in the form of heavy bureaucracy, combined with strong demand intensify the dynamics of the class A office market and turn it into a very attractive one.

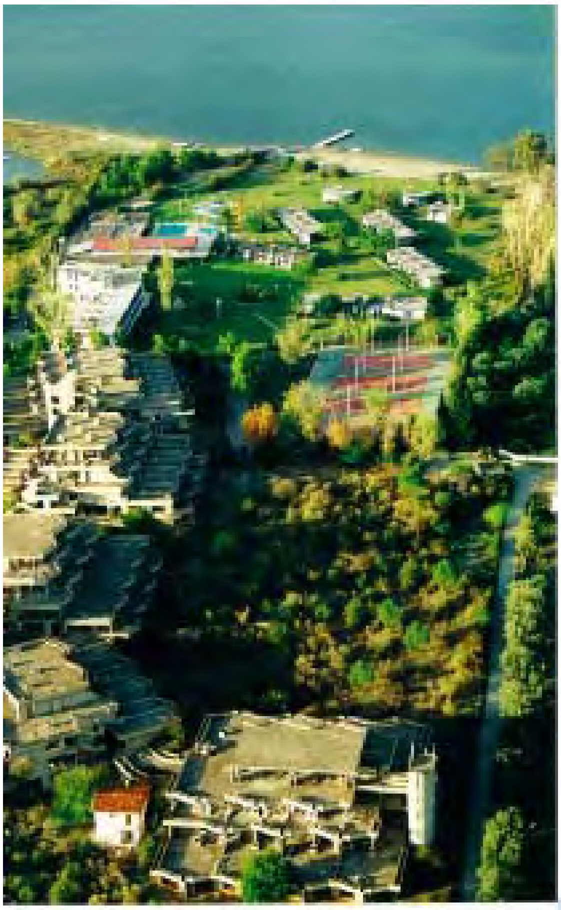
Leases readjusted based on Greek CPI with a 100 bps spread, provide internal growth to the Group's rental revenues. BVIC also aims at value creation from new developments, which increase the Group's rental revenue and NAV. BVIC's development pipeline has continued to growing over time, and in this direction the Group will target another two additions to its pipeline in 2006. In the longer term BVIC is also looking to invest in acquisitions of income producing assets, within the next three years, with a minimum target yield of 6.5%.

Delta Falirou, Complex I, LG Electronics, Norton Rose, Village Roadshow

Retail Sector

A key component of BVIC's strategy is to build on its experience and leading position in the real estate office sector, and expand into the high growth retail real estate sector. Currently, BVIC has two highly successful retail developments under construction, and one in its pipeline. Indicatively, the retail and leisure centre under construction at Delta, was 94% pre-let, over 9 months before its completion. Also, BVIC signed two lease agreements with Media Markt in the past nine months, including their first store in Athens and catering to the German electronics retailer's expansion plans in the market. As in the office market, the Group looks to secure long term leases with blue chip tenants, creating a broad and loyal client base.

Tourist Sector



BVIC has positioned itself to be able to capitalize on the predicted boom in the Greek tourist development market, with two large projects in its pipeline. BVIC owns two land plots totaling 158,000 sqm, for which it has obtained all the necessary permits from the Greek National Tourism Organisation.

The Group's risk-averse strategy in this sector is to initially undertake projects within close proximity to Athens, in areas that already benefit from high demand for large-scale projects. The land plots were acquired for € 7 million, and they already have a fair market valuation of nearly € 50 million based on the market value of the land and the construction cost to date. Once they are completed the developments will be sold or leased on a long-term basis to hotel operators.

Poros-Galatas,
Tourist Development

Financing

Approximately 80% of BVIC's net debt comes from sale and leaseback and a Built Operate Transfer Agreement (BOT) contract. BVIC pays interest and debt amortization payments to the leasing companies while receiving sublease payments from its tenants, thus providing securitised debt. Currently, this method of financing is the most efficient one for covering the financing needs of the Group's developments.

A minimum debt maturity of 10 years with floating interest rates, as far as the sale & leaseback and BOT agreements are concerned, exposed the Group to interest rate risk. In order for this risk to be minimized, in January 2005, the Group entered into a financial floating to fixed interest rate swap with Credit Suisse, "locking" its cost of debt at the low level of 5.29%. The Group, though, maintains some exposure to interest rate movements via bank loans, however, it is not very significant.

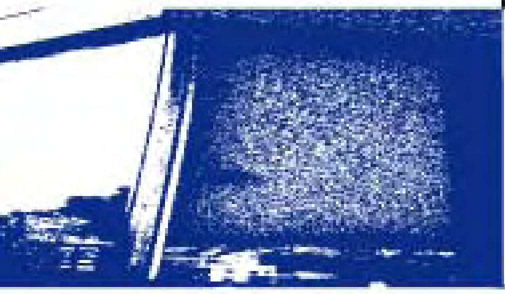
BVIC is always looking to optimize the efficiency of its capital structure. BVIC's gross debt position, of €415 million to value, to fair value of the property portfolio of € 936 million, gives a loan to value gearing ratio of 44%. Excluding the sale and leaseback and BOT obligations, that are almost fully covered by sale and leaseback and BOT sublease revenue, bank loans amount to € 89 million, therefore the loan to property value ratio drops to 10%, leaving significant financing ability for both developments and acquisitions.

REITs

The legisation in Greece allows the operation of REITs, however it is limiting and cumbersome, as for example it currently restricts leverage to approximately 25%. When the legislation has undergone the amendments necessary for it to be efficient, the Group would seek to establish a REIT and to transfer some of its income generating assets into it, as well as to use it or the acquiition of assets.

95-97 Kifissias Avenue & Attiki Odos,
Cosmote

4 Chairman's Statement



4. Chairman's Statement

I am delighted to report on a year of outstanding activity for Babis Vovos International Construction Group, generating Net Asset Value (NAV) growth of 39%, with significant progress in our projects under construction, as well as exciting new projects undertaken.

BVIC Group had a total of 7 projects under construction during 2005, which are all expected to be completed by 2007. In particular, we are close to delivering two major projects: the retail and office development at 49 Kifissias Avenue and the leisure, retail and office development at Delta Falirou, which are due to be fully completed in the 2nd quarter of 2006. These projects are almost fully let and will generate close to €10 million in annual lease revenue and close to € 260 million in the Group's NAV creation, of which €132 million has already been booked in 2005. These projects represent our first forays into the retail market, and have met with strong success, paving the way for future expansion into this sector.

The other two projects of strategic importance to the Group are the hotel developments in Poros and in Sounio, representing 35,000 sqm under construction on land plots of 151,000 sqm. The Poros project is moving at a high pace and delivery is expected by year-end. Similarly, the Group has received all the necessary planning permits from the Greek National Tourism organisation for the tourist development in Sounio and has applied for a new building permit. These projects further underline the Group's commitment and investment in the tourist market.

We are developing 3,000 sqm of quality office space for an existing tenant of ours OTENet. Finally, we have an office development and two residential developments underway, with a total of 15,800 sqm of lettable area. We expect to generate profitable returns upon the completion of these projects in 2007.

I would also like to update you on two new major projects, added to our pipeline during 2005:

In September 2005, we were awarded the development of an 8,000 sqm land plot by the Hellenic Exchanges(HELEX), the publicly quoted operator of the Athens Exchange. This project entails the construction of a 6,700 sqm office building for the use of the Hellenic Exchanges, as well as an additional 17,000 sqm building complex which will remain in BVIC's ownership upon completion. Excavation work started on the plot in December 2005, and completion is due in the first quarter of 2007. We believe that the relocation of the HELEX adds value to the whole project and provides this area with exciting new development opportunities. This high profile addition to our development pipeline is expected to generate very attractive returns, as well as confirming the Group's leading position in the office property market.

In December 2005, BVIC agreed the acquisition of a company which owns a land plot on Syngrou Avenue, that we plan to develop a into commercial building with a total lettable of 14,000 sqm and 600 parking spaces at a total cost of around € 40 million, the project will be completed in 2007. We are confident that 340 Syngrou Avenue, will turn out to be another highly successful commercial centre.

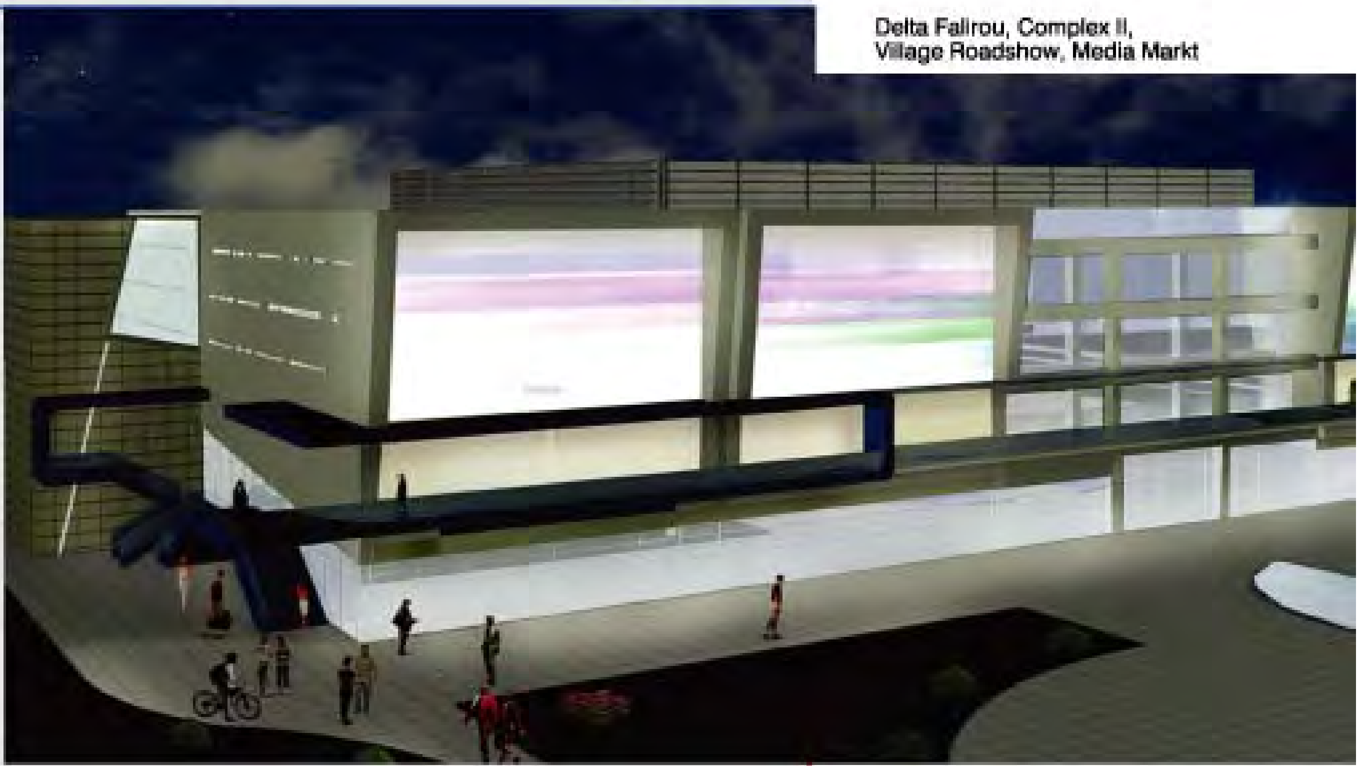
At the Annual General Meeting, the Board of Directors shall propose, a dividend of € 0.40 per share, increased by 11% compared to our 2004 dividend, supporting management's commitment of increasing its dividend. BVIC has increased its dividend on a constant basis for the period between 2000 and 2005, resulting in a 74% increase in those five years.

We have fulfilled our objectives for 2005 of significantly advancing our projects under construction and successfully enhancing our development pipeline. BVIC is well positioned to meet its long-term targets, and to achieve excellent returns for our shareholders in the coming years.

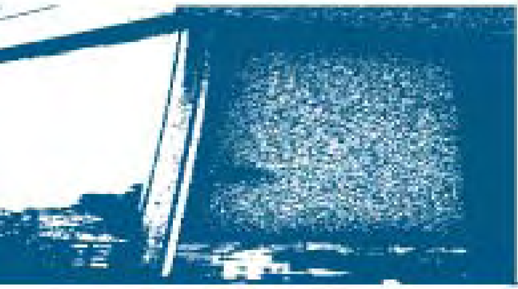
I would like to thank all of the staff at BVIC for their dedication and hard work, without which we would not be where we are today. I would also like to thank our shareholders for their continued commitment and support.

BABIS VOVOS
chairman

Delta Falirou, Complex II,
Village Roadshow, Media Markt



5 CEO's Review



5. CEO's Review

It is my pleasure to be able to share with you a very strong set of results for 2005, as BVIC successfully met all the objectives that we set out for the year. We hope and believe that our progress has exceeded expectations, as we continue to create value for our shareholders.

Net Asset Value (NAV)

Our NAV per share before deferred tax increased by 39% year-on-year to €17.10, while on an after tax basis NAV increased 33% over 2004. The underlying factors for this substantial increase were firstly, the tightening of yields in the office sector which resulted in an increase in the value of our investment properties, secondly the completion of a retail development project at 49 Kifissias Avenue, thirdly the purchase of 1,388 parking spaces, and finally a new project under construction at Gymnastiriou Street, in Nea Erythrea.

We believe that our growing prime office market portfolio, as well as the forays that we have made into the retail and tourist development markets will continue to generate strong returns in the coming years.

Earnings

BVIC Group's revenue totalled € 41m in 2005, representing a 16% decrease compared to 2004. This decline was based on a 66% reduction in development and sales revenue from €13m in 2004 to €4m in 2005. The decline in sales revenue is a reflection both of the Group's strategy of retaining its assets, and also of the large number of projects under construction undertaken in 2005, due to be completed in the next two years. The Group's rental revenue increased by 12% in 2005 to € 35m thanks to new lease agreements signed in 2004 and in 2005, as well as rent adjustments of approximately 5% on average, based on the average Greek CPI plus 100bps.

Our leasing programme was very successful in the past financial year, with 8 new significant lease agreements amounting to a 22% increase in overall rental revenue on an annual basis. Moreover, the Group added two significant "blue chip" customers to its existing tenant base, Village Roadshow, the international Australian media and entertainment group and Media Markt, a leading German electronics retailer.

Ethnikis Antistaseos, Vodafone

The Group's office portfolio is now 100% let, and our portfolio in this sector continues to expand with two projects that we have under construction, with over 25,000 sqm of lettable area.

BVIC Group's EBITDA stood at €195 million, representing a 5% increase over 2004. This was mainly based mainly on a net gain from fair value adjustment on investment property of €189 million during the year, which contitutes an 8% increase compared to €176 million net gain in 2004 and on a 19% reduction in cost of sales.

The Group's profit after tax for the year was €124 million, a 5% drop compared to €131 million during 2004 (as restated under IFRS). This was due to a significant increase in income tax expense, which more than doubled from € 23 million in 2004 to €49 million in 2005, however 90% of this figure represents a deferred tax provision.

Financing

In January 2006, BVIC decided to enter into a financial floating-to-fixed interest rate swap with Credit Suisse. in order to "lock" its financing cost. As a result of this transaction, the Group has covered the interest rate risk associated with the majority of its long-term debt portfolio. The finance cost of BVIC's long-term sale and lease-back obligations, which represent more than 70% of the Group's total debt portfolio, was set at 5.29%. This compares with the Group's floating cost of 5.19% on the agreement date, based on an average rate of Euribor and 250 bps. This transaction is in line with the Group's commitment to reduce its interest rate risk. It confirms BVIC's key strategic goal of securing the cheapest and most efficient financing structure.

Share price performance

BVIC share recorded a steady appreciation of 19% during 2005, reflecting our strong fundamentals. By adding another 3% - the average dividend yield for 2005 - the total return for our shareholders was 22%. The stock market rewarded the excellent progress achieved by the Group in the first quarter of 2006, as BVIC's share price increased by 41%, and reached €19.5. Since our company's IPO, our share price has outperformed both the Athens Stock Exchange General Index as well as the EPRA / NAREIT Global Index, delivering almost 100% share price growth, and total returns of 126%.

BVIC's fundamentals as well as our dividend policy are expected to reflect our commitment to delivering growth in shareholder value during the coming years.

ARIS VOVOS
chief executive officer

6 Property Portfolio Review

108-110 Athens Avenue, Hellenic Exchanges

66 Kifissias Avenue, TIM

6. Property Portfolio Review

OFFICE

Greece benefited from growth rates above the Eurozone average over the past few years, with GDP growth of 3.5% in 2005. Since 2000, the office market has witnessed strong demand for high quality large-scale space fuelled by growth in the telecommunications, financial and IT sector, along with privatization initiatives. Strong tenant demand continued throughout 2005, mainly from companies seeking to consolidate their space. However, there is a limited supply of space meeting the required specifications.

The Central Business District (CBD) consists mainly of older, smaller stock of offices, in many cases converted residential buildings, with mostly financial institutions and governmental bodies located in the city centre. Kifissias Avenue, where almost all of the Group's office portoflio is located, has established itself as Athens' premier business district outside the CBD, due to the high standard of its office buildings as well as its transportation systems and infrastructure. The difficulty of constructing new developments in the city center favors peripheral areas, offering sustainable market growth in the medium term.

Foreign interest in the Greek real estate market has been growing, in light of recent and anticipated market liberalization and transparency. Sustained demand, from tenants and investors alike, combined with limited supply, has led to a tightening in market yields thus increasing the value of BVIC's portfolio. The 100% occupancy rate of the Group's office portfolio, and its 6.5% yield are indicative of both positive market trend and quality of its product.

RETAIL

Greece continues to experience strong growth in consumer and retail demand, with retail sales volume growing at 4.6% in 2005. Large international retail brands such as Media Markt and FNAC just entered the Greek market, whereas Leroi Merlin and H&M are seeking be open their first stores in Athens, and players already present in the market such as Zara, Ikea and Starbucks are continuously expanding. Other companies such as Wal Mart, Tesco, Parfois, and Vasco Santos are all looking to entering the market in the near future.

International investors and international commercial chains have shown strong interest in the market, leading to its development, with the first shopping centre of over 50.000 sqm opening in Athens in 2005. The enhancement of the country's transportation network and new zoning regulation is expected to lead to more shopping centers and big box developments in the suburbs of Athens. BVIC's commitment and investment in the retail market aims to capitalize on the favorable market trend producing risk diversification and growth maximization.

HOTEL AND TOURIST RESORT MARKET

Greek tourism is considered a key industry for the country, and currently accounts for approximately 18% of the country's GDP. With over 12 million foreign visitors per year, Greece is ranked as one of the top 15 tourist destinations worldwide.

The positive legacy from the success of the 2004 Athens Olympic Games, supported by the improvement in the transportation infrastructure, the upgrading of hotel and tourist resorts and a new promotional campaign, have raised the country's profile as a major tourist destination. The government has undertaken an intensive advertising campaign to promote Hellenic tourism abroad, and to provide incentives for high quality large-scale developments. Furthermore, the vacation and "holiday home" development business, in particular, is expected to benefit from the increasing current trend, whereby retirees from Northern Europe look to relocate to countries with milder climates in southern Europe, including Greece. The tourist market in Greece is considered untapped, compared to Spain and Portugal, for example.

To date there have not been any major vacation home developments in Greece although there have been a number of small developments. More recently, the industry has started shifting to the high-end tourist market due to increased demand for alternative and integrated forms of holidays. Recent constructed offerings include golf courses, sailing and cruising, conference centers, thalassotherapy centers and spas. Investment activity in the tourism sector is supported by favorable tax incentives and subsidies, including those provided by the European Community Support Framework.

BVIC believes the tourism industry in Greece will boom, and the Group is well positioned to expand in this high growth market, with two large-scale tourist developments under construction.

221 Kifissias Avenue, Microsoft

PROPERTY PORTFOLIO ASSET VALUATION

BVIC's gross property portfolio was valued by Colliers International, as at 31 December, 2005 at € 936m, a 28% increase from the 2004 valuation of €730m. The net value of the property portfolio was €708m in December 2005, up 28% from € 554m in December 2004.

BVIC's high quality office portfolio located along main arterial roads benefited from an increase in the value of these assets. Limited supply of modern, large, class A office buildings, in prime locations, combined with strong demand from investors in a more mature market, led to an increase in property values, compressing yields from 7.5% in 2004 to 6.5% in 2005, and resulted in circa 30% increase in 2005 across this asset class. This increase represents over half of the increase in the total net value of the property portfolio from 2004 to 2005.

The development of a retail centre at 49 Kifissias Avenue was one of the most significant changes to the asset portfolio, with a net valuation of € 77m in 2005. Furthermore the reclassification to investment property of 1,488 parking spaces, due to management's decision to cancel the respective pre-sale agreements and retain them had a fair market valuation close to € 25 million.

Under construction properties accounted for approximately 20% of the net property portfolio value in 2005, and grew 21% over 2004 to €146m. The increase was mainly attributable to a new mixed-use residential project at Gymnastiriou Street, undertaken in 2005, representing 74% of the total increase (contributing €19m in asset value).

Investment Properties

BVIC's developed investment properties cover approximately 70,000 sqm of office space with almost 6,000 parking spaces, that generate nearly € 20 million in rental revenue. These can be divided into three main property categories: properties held under sale and leaseback, horizontal ownerships and Built Operate Transfer agreement properties. The rest of the Group's properties consist of: land plots, properties under construction and those falling under the transfer of building coefficient property category.

Sale and Leaseback

BVIC's sale and leaseback properties have a gross value of € 569 million as investment properties in our 2005 balance sheet, and Eur 207 million of related debt.

BVIC has entered into sale and leaseback arrangements for 9 properties, comprising a total of 40,015 sqm of lettable area, and 3,021 parking spaces. The majority of the assets are large office complexes situated on Kifissias Avenue. Kifissias Avenue is one of the major arterial road in Athens, a prime retail and office avenue that connects Central Athens with the Northern suburbs.

There was one addition to our sale ad leaseback portfolio during 2005 from the completion of a retail development at 49 Kifissias Avenue in 2005 covered by sale and leaseback agreements of € 41 million from which only 20 million are included in the 2005 balance sheet due to the fact that the inflow of the extra € 21 million was realised during January 2006.

This is BVIC's largest asset class, that contributed approximately Eur 13 million to BVIC's rental income in 2005. On a annualised basis, in 2006, this asset class should contribute over € 16 million from current lease agreements that were in effect for onlya few months during 2005. Moreover, the portfolio benefits from leases with an annual readjustment of Greek CPI plus 100 bps. The portfolio will also be enhanced by the addition of Delta Falirou during the second half of 2006, which was under construction at the end of 2005, and for which a € 59 million sale and leaseback agreement has already been signed, as well as annual lease agreements of € 5 million, in the second half of 2006.

A sale and leaseback agreement is a transaction where the Group sells, a property or part thereof, subject to a lease (normally on institutional terms) for a fixed period of time, usually 10 – 15 years to a Greek leasing company. BVIC will then enter into a typically coterminous occupational lease with a tenant, usually for a period as long as the lease agreement period. The rent received from the tenant is used to pay the interest and amortisation costs to the leasing company. At the end of the lease, BVIC has the right to re-purchase the property, usually at a nominal cost.

The sale and leaseback agreements allow BVIC to transfer the asset's ownership, while having the right to use or grant sublease of the property. BVIC retains a call option over the properties, so at the end of the lease term, the property may revert to the Group, usually for a nominal fee.

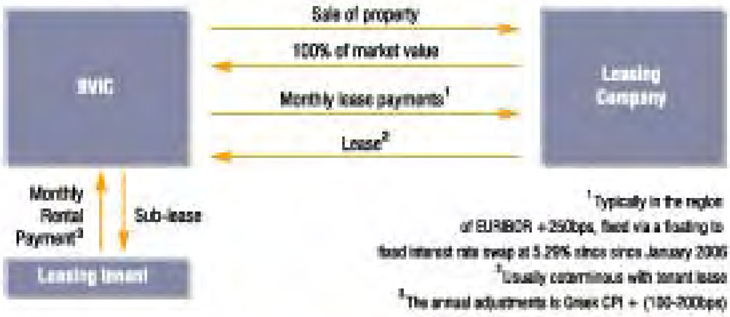
In 2002, Greek tax law was amended so that sale and leaseback transactions were no longer subject to 11% transfer tax.

As a result, BVIC had entered into a number of sale & leaseback agreements in respect of its larger, prime location buildings.

In summary, the benefits for BVIC of the sale and lease back structure are that:

- BVIC raises 100% of the market value of the property for the years of the sale & leaseback contract, on entering into the sale and leaseback;
- BVIC may re-purchase the property at the end of the lease term, usually at a nominal value.
- No transfer tax (currently at an 11% rate) is payable by the purchaser/leasing company;
- As of 2004, no corporate income tax (currently at 32%) is imposed on any profit derived by BVIC upon its initial sale to the purchaser/leasing company, provided that such a profit or gain is booked in a special tax-free reserve. Such reserve is taxed upon distribution or capitalisation thereof.

The program below illustrates the sale and leaseback process:



[1] Typically in the region of EURIBOR +250bps, fixed via a floating to fixed interest rate swap at 5.29% since since January 2006
[2] Usually coterminous with tenant lease
[3] The annual adjustments is Greek CPI + (100-200bps)

Property address	Description	Lettable Area (m²)	Parking spaces	Contract Value (€ mil.)	Contract Duration
66 Kifissias Ave.	Retail, office & storage	8,207	853	80,0	2004-2018
95-97 Kifissias Ave.	Retail, office & storage	6,610	1,037	50.5	2004-2017
49 Kifissias Ave.	Retail, & storage	8,486	506	41.0	2005-2022
6 Pouliou Str.	Retail, office and storage	6,590	192	27.9	2003-2015
24 Kifissias Ave.	Office & storage	3,019	204	20.9	2002-2014
221 Kifissias Ave.	Retail, office and storage	2,571	128	15.0	2004-2016
1-3 Kifissias Ave.	Office & retail	1,992	64	9.0	2003-2015
174 Syngrou Ave.	Office	1,945	37	5.3	2003-2015
109-111 Kifissias Ave.	Retail & storage	595	-	4.0	2003-2013
Total		**40,015**	**3,021**	**253.6**	

Property address	Tenant	Occupational Lease Duration	Yearly Lease (€ mn) as at 31/12/2005
66 Kifissias Ave.	TIM	2004-2018	4.8
95-97 Kifissias Ave.	Cosmote	2004-2019	3.4
49 Kifissias Ave.	Media Market, Giannelos	2005-2017	2.8
6 Pouliou Str.	Ministry of Economy, ASEP	2003-2015	2.1
24 Kifissias Ave.	Marfin Bank	2002-2014	1.0
221 Kifissias Ave.	Microsoft	2004-2016	1.0
1-3 Kifissias Ave.	Ministry of Internal Affairs and Ministry of Public Works	2003-2015	0.5
174 Syngrou Ave.	Bestend Publishing	2003-2017	0.4
109-111 Kifissias Ave.	vacant	-	-
Total			**16.0**

Built Operate Transfer

The BOT property has a gross valuation of € 158 million in our balance sheet, and € 72 million of related finance lease liabilities.

BVIC developed two building complexes on a land plot of 27,372 sqm, located at Ethnikis Antistaseos, Tzavella and Mykonou, owned by to the Russian Federation. Under a Build Operate Transfer (BOT) agreement, the Russian Federation retained ownership of one building complex, and has sublet the second one to BVIC for 48 years, at a monthly lease of € 10,000, annually readjusted by Greek CPI.

The second building complex consists of 17,220 sqm of lettable area and 700 parking spaces and it has been sublet to Vodafone for an 18 years duration. Moreover, Alpha Bank has securitised the income stream of € 60m from the Building Complex II for 18 years.

Property address	Tenant	Occupational Lease Duration	Yearly Lease (€ mm) as at 31/12/2005
Ethnikis Antistaseos	Vodafone	2004-2022	4.8

Horizontal Ownership

Horizontal ownerships have a value of € 67 million in our 2005 balance sheet.

Horizontal ownerships are based on individual floors, or parts thereof, that are owned directly by BVIC, within buildings developed by the Group, corresponding to a percentage ownership of the land and car parking spaces.

Prior to 2001, BVIC would sell the properties it developed to third party investors, retaining only some horizontal ownership. This has changed, as the Group's financing has evolved and the Greek office real estate market has matured, so that BVIC now constructs large-scale projects financed via the sale and leaseback method. Accordingly, the Group's long-term strategy is not to focus on this asset class type of assets that represent partial ownership.

In 2005, there was an addition (classified as invertary during 2004) of 1,400 parking spaces to BVIC's horizontal ownership properties. Part of the retail development at 49 Kifissias Avenue, as well as the hotel in Poros, which is currently being refurbished as part of the tourist development project in Poros, were also added in the horizontal ownerships. None of these additions were leased in 2005, therefore, no income was recorded from these assets.

This property category contributed approximately € 2 million in rental income in 2005, which should increase significantly in 2006, when the 2005 additions to the portfolio begin to generate income.

Property address	Description	Tenants	Area (m^2)	Parking spaces
Poros	Hotel	Vacant	3,800	-
10-12 Kifissias Avenue	Office space, storages pace & retail	Antenna, Intestra Spot	3,184	136
32 Kifissias Avenue	Office space, storage space	Ministry of Economy & Finance, Coca Cola, Motorola, [illegible]	2,036	326
49 Kifissias Avenue	Office space	Vacant	1,448	12
64 Kifissias	Storage space, Retail shop	Vodafon TIM, Scopito	749	47
Maurombali Street	Residential	Private Individuals	716	-
60 Kifissias Avenue	Office space and storage space	Coca Cola, National Telecommunications & Post Commission	616	170
56 Kifissias Avenue	Storage space	Microsoft, Vodafone, Opel	550	89
4 Vasilis Sofias Avenue	Residential	Private Individuals	469	-
44 Kifissias Avenue	Retail shop, storage space	Cosmote, Siemens, Cisco, Alpha Bank	443	303
3 Premetis Street	Retail shop, storage space	Zografakis	141	22
14 Kifissias Avenue	Retail shop	Vacant	108	18
62 Kifissias Avenue	Retail shop	Coca Cola, Aspis, Opel & Cosmote	50	69
340 Kifissias Aveneu	Retail shop	Vacant	28	155
24 Kifissias Avenue	Parking	Coca Cola, Marfin Bank & BP	-	471
66 Kifissias Avenue	Parking	Vacant	-	223
Acadimias Street	Parking	Paradise & Co GP	-	17
7 Kifissias Avenue	Parking	General Secretary of Sports	-	1
Total			**14,340**	**2,059**

Under Construction

At the end of 2005, BVIC had nearly 74,000 sqm of lettable area, on a total land area of 143,700 sqm under construction, including two projects in the tourist real estate market and a retail and leisure development, both areas in which we are materializing our long-term expansion strategy. The largest project currently under construction is the development at Delta Falirou.

Properties under construction are included in our balance sheet as investment properties at the market value of the land and construction cost to date. They were valued at €107 million. The mixed use residential project under construction at 9 -13 Patmou Street was included in inventory at € 9 million in inventory, as residences are being sold.

Property address	Description	Land area (m^2)	Building area (m^2)
Delta Falirou	Retail, leisure and office complex	9,733	23,000
Poros-Galatas	Hotel Development	65,000	23,000
Sounio	Resort complex	62,144	12,000
Gymnastiriou Str.	Mixed use Residential	18,264	9,000
9-13 Patmou Str.	Mixed use Residential	3,827	3,830
109-111 Kifissias Ave.	Office Development	3,000	3,062
Total		**143,704**	**73,896**

In 2005, BVIC added another two major projects to its pipeline, for which final agreements had not been signed in 2005, therefore they were not included in BVIC's 2005 valuation. They represent 38,000 sqm of lettable area, consisting of an office and a commercial development.

Property address	Description	Land Area (m^2)	Bulding Area (m^2)
108-110 Athens Ave.	Office complex	8,000	24,000
340 Syngrou Ave.	Commercial complex	6,000	14,000

Land Plots

As at December 31, 2005, BVIC owned 5 land plots with a total surface area of 28,766 sqm. Land plots are included in our balance sheet as investment properties, and had a book value of € 7 million in 2005. The largest plot is the coastal land plot in Poros, which was acquired in 2005. The property at Poros has a total land area of 89,000 sqm, consisting of a hotel and bungalow development with a plot surface area of 34,000 sqm, as well as semi-completed semi-detached residential units with a plot surface area of 30,000 sqm, and a land plot of 24,000 sqm land plot which has not been developed.

Property Address	Area (m^2)
Poros - Galatas	24,000
338 Kifissias Avenue	1,973
Amaroussiou	
Chalandriou Avenue	1,260
Theotokopoulou Street	933
Dimitsanas & Kaltetzon Street	600
	28,766

Transfer of Building Coefficient

The allocated transferable building coefficient has been valued by our independent valuers, at € 56 million, but this value has not been included in our balance sheet. The rights to transfer building coefficient as well as the related cost of land for the allocated transferable building coefficient are included in our 2005 balance sheet as intangible assets at €19 million.

The transfer of building rights, in terms of transferring the equivalent commercial value, from one property to another, is permitted under certain circumstances in Greece. Properties from which you can receive transferable building rights include those which are defined as listed buildings, properties with buildings which have been characterized as monuments archaeological sites, or those defined as cultural heritage sites, or as common use areas etc. BVIC currently owns, 16,425 sqm of such transferable building coefficient rights.

The areas which are permitted to receive the right of use of the fixed space transfer, referred to as the 'Zones of Acceptance', are required to be either street planned properties or outside of historically designated borders, archaeological areas; traditional settlements etc.

The law permitting the transfer has not been enacted yet. It was submitted by the Ministry of Environment, Town Planning and Public Works, to the Council of State. The Council of State reviewed it, and returned it to the Ministry of Environment, Town Planning and Public Works in order for them to correct it. The Group has already planned the allocation of transferable building coefficient rights, in terms of the value of the fixed floor space, onto existing buildings or land plots adjacent to existing buildings. The total pipeline from the allocated transferable building coefficient is for approximately 22,000 sqm.

Transferable Building Coefficient

Property Address	Description	Area (m^2)
1-3 Kifissias Avenue & Alexandras Avenue	Office Space	11,298
Galatsi	Office Space	1,507
3 Souri Street, Syntagma	Office Space	1,250
Naxou Street, Melissia (Registered Titles)	Office Space	2,370
Total		**16,425**

Allocated Transferable Building Coefficient

Property Address	Description	Area (m^2)
66 Kifissias Avenue	Future Building consisting of a ground floor and 4 floors	3,250
Kifissias Avenue & Sina Street Street,	Building I - Future Development of 1 floor	1,180
	Building III - Future Building consisting of a ground floor and 3 floors	1,050
95-97 Kifissias Avenue & Attiki Odos	Building I - Future Development of 3 floors	5,760
	Building II - Future Building consisted of a ground floor and 5 floors	8,400
221 Kifissias Avenue & Plastira Street	Future Building consisting of a ground floor and 3 floors	1,065
14 Kifissias Avenue & Halepa Street	Future Building consisting of a ground floor and 3 floors	1,400
Total		**22,105**

Valuation Certificate

The Directors
Babis Vovos International Construction S.A.
340 Kifissias Avenue
Neo Psychiko 154 51
Athens, GREECE

Re: Certificate of Value as of 31 December 2005

Athens, 3 March 2006

Dear Sirs:

In accordance with the terms of our appointment as independent appraisers, we have conducted a valuation of their real estate assets, including land and buildings (the "Assets") belonging to Babis Vovos International Construction S.A. (BVIC) and certain subsidiaries (the "Company") in Greece. Colliers International Hellas has been instructed by Babis Vovos International Construction S.A. (here after the Company), to offer an opinion of the "Fair Market Value" of the real estate assets owned by the Company in Greece.

The properties are held for investment and in some instances held for development or are in the course of development. The valuation analysis of these properties and those of the remainder of the portfolio are included in the body of our report with the concluded estimates of value reported in the tables below and elsewhere in the executive summary in their appropriate categories.

The purpose of our valuation analysis was to assist Babis Vovos International Construction S.A. in establishing the fair market value of the real estate assets.

The value estimates apply as of 31 December 2005 and are subject to the Assumptions and Limiting Conditions contained in the report in addition to any other assumptions that may be contained in the body of this report. In the process of preparing this appraisal we:

Inspected the majority of the subject properties;

Relied on information provided by the Company as well as on a previous valuation report;

Conducted market research into sales and rental rates for comparable properties; and

Examined market conditions and analysed their potential effect on the properties.

The function of the valuation is to provide information to the management of BVIC regarding the market value of the subject properties for Balance Sheet Reporting and inclusion in the Company's Annual Accounts.

Accordingly, our work product is not to be used for any other purpose or distributed to third parties without the express knowledge and written consent of Colliers International. Furthermore, the result of our valuation consulting services does not constitute a fairness opinion or investment advice and should not be interpreted as such. Accordingly, our consulting report is not intended for the benefit of a Bank or Developer (other than the client) or any other third party and should not be taken to supplant other inquiries and procedures that a Bank or any other third party should undertake for the purpose of considering a transaction with the Company.

Our real estate valuation analysis is based on the premise that the Company is and will continue as a going-concern business enterprise.

Our valuation consulting services are performed in accordance with generally accepted appraisal standards and in conformance with the professional appraisal societies to which we belong.

The date of valuation has been established as 31 December 2005.

The standard of value is "Fair Market Value".

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowingly, and for self-interest, and assuming that neither is under undue duress."

Before any valuation analysis can be made, the appropriate premise of value should be established. The general concept of value can be separated into two categories: value-in-exchange on a piecemeal basis and value-in-use. Value-in-exchange represents the action of buyers, sellers, and investors, and implies the value at which the property would sell on a piecemeal basis in the open market. Value-in-use is the value of special purpose property and assets as part of an integrated facility and reflects the extent to which the assets contribute to the profitability of the operation of that facility or going concern. These two premises can have a significant effect on the results of a valuation analysis.

For purposes of this report and the valuation of the selected assets, we will use the premise of Value-in-Exchange. We have performed no test of earnings and cash flows to verify whether there is a sufficient return on and return of investment in the Assets. The background data of the property and valuation is included in the body of the full valuation report.

On the basis of our research, study, inspection, investigation and analysis as set forth in the valuation appraisal report, it is our opinion that the subject Assets have an estimated "Fair Market Value" as of 31 December 2005 of:

Property Category	**Estimated Fair Market Value ( ) (rounded)**
Land Plots	10,825,000
Under Construction Properties	146,294,000
Transfer of Building Coefficient	56,350,000
Investment Properties	722,504,000
Total Gross Value of the Portfolio	935,973,000
Less: Value of the Sale & Leaseback Obligations to the Leasing Companies	(228,308,356)
Total Net Value of the Portfolio	707,664,644

Our study was conducted in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the "ASA"). The valuation report is prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and RICS (the "Royal Institution of Chartered Surveyors")

Respectfully submitted,

COLLIERS INTERNATIONAL HELLAS
George N. Dussias
Senior Valuation Consultant

COLLIERS INTERNATIONAL HELLAS
Richard Hazell
Managing Director

Assumptions and Limiting Conditions

The following Terms, Assumptions and Limiting Conditions are an integral part of this report.

1. Complete Agreement

It is understood and agreed that these Terms embody the complete understanding of the parties and that any and all provisions, negotiations, and representations not included herein are hereby abrogated. These Terms cannot be changed, modified, or varied except by written instrument signed by both parties. These terms shall be binding upon the successors, heirs, administrators and executors or devisers of the parties hereto; and Babis Vovos International Construction S.A. (hereafter the 'Company') shall remain liable even though ownership of the business or its assets might change.

2. Single Purpose

This report is valid only when presented in its entirety and only for the purpose stated herein. It is expressly understood that our analyses and conclusions do not, in whole or in part, constitute a fairness opinion.

3. Confidentiality

Colliers International requests that the Company preserve the confidentiality of the format and content of any reports prepared on the Company's behalf. The Company agrees not to reference our name or our report, in whole or in part, in any document distributed to third parties, without our written consent Colliers International unless it is subject of equity & debt funding from 3rd parties for investment either into the company's shares or into certain financial vehicles the Company is considering establishing such as a Greek law REIC or Fund. Colliers International will likewise preserve the confidential nature of information received from the Company or developed during this engagement, in accordance with Colliers International established professional standards.
It is understood and agreed that all work-product shall remain the exclusive property of Colliers International.

4. Responsibility Statement

Colliers International agrees that the services provided were performed in accordance with recognized professional standards and that adequate personnel were assigned for that purpose. This report has been prepared in conformity with, and is subject to, the requirements of the code of professional ethics and standards of professional conduct of the professional appraisal organizations of which we are members.
We assume no responsibility for any financial and tax reporting judgments which are appropriately those of the Company's management.
We have acted as an independent contractor. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us by the Company.

5. Indemnification

The Company agrees to indemnify and hold Colliers International harmless from, and at the option of Colliers International will defend it against, costs or liabilities which result from claims against Colliers International Finance S.A. by any third parties, where such claims arise out of any authorized use of the results of Colliers International work, unless it is finally judicially determined that such losses, claims, damages or liabilities were caused by fraud, gross negligence or willful misconduct on the part of Colliers International in performing its obligations under this Agreement.

6. Subsequent Work

We, by reason of this report, are not required to furnish additional work, or to give testimony, or to be in attendance in court with reference to the assets, properties, or business interests in question unless arrangements have been previously made.
We have no responsibility to update this report for any changes occurring subsequent to the issuance of this report.

7. Asset Description

We assume no responsibility for the legal description or matters including legal or title considerations. Titles to the subject assets, properties, or business interests are assumed to be good and marketable unless otherwise stated.
The subject assets, properties, or business interests are appraised free and clear of any or all liens or encumbrances unless otherwise stated. We assume that there is full compliance with all applicable Federal, state, and local regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.
Any plot plans, sketches, drawings or other exhibits in this report are included only to assist the reader in visualizing the property. We have made no survey for this report and assume no responsibility for such. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or other violations of any regulations affecting the subject property. Except as noted, this analysis assumes the land to be free of adverse soil conditions which would prohibit

8. Unseen Conditions

We assume no liability for structural conditions not visible through an ordinary inspection (or through a review of the plans and specifications, for proposed construction projects). This analysis is of surface rights only, and no analysis has been made of the subsurface or of hazardous waste conditions, if any. This appraisal does not take into consideration the possibility of the existence of asbestos, PC transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks (hazardous material), or the cost of removal. We are not qualified to detect such substances. An expert in this field should be retained if desired.

9. Further Assumptions

We assume responsible ownership and competent management with respect to the subject assets, properties, or business interests.
The information furnished by others is believed to be reliable. However, we issue no warranty or other form of assurance regarding its accuracy.
We assume that all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state, or national government, private entity or organization have been or can be obtained or renewed for any use on which the valuation opinion contained in this report is based.
Our appraisal and estimates of value for the subject property are based additionally on the following specific assumptions:

1. The square meters of the appraised land and buildings have been taken from documents provided to us by you. We assume that this information is correct.

2. All the information supplied by the owner, are correct especially, building areas as stated, cadastral documents, plan and technical description of the buildings, lease contracts, title deeds and the amount of annual local taxes. We have relied on this information being correct and complete and on there being no undisclosed matters which would affect our valuation.

3. No technical control has been carried out by Colliers International for the assets' proper insulation, for the static adequacy and the proper function of the asset's installations. In addition we did not perform any control of the existing reports related to the buildings and the topographical reports.

4. We did not perform any review of the materials used in the construction of the assets and therefore we assume that unhealthy materials have not been used during the construction or repairs.

5. We did not check for any archaeological, ecological or other environmental issues for the subject assets.

6. We did not perform any visual inspection of the assets to check if the land has been contaminated or polluted.

7. A potential purchaser of the property can acquire legal title for both land and buildings comprised by the property.

8. During the appraisal we did not taken into account any sale expenses or taxes that must be paid in case of the sale of assets.

7

FINANCIAL REVIEW

7.1. Fundamentals of "Babis Vovos International Construction S.A."

INCOME STATEMENT 2004-2005

amounts in thousand €	1/1-31/12/2005	1/1-31/12/2004
Revenue	34,437	40,911
Gross profit / (loss)	14,412	14,190
Earnings / (loss) before interest, tax, depreciation and amortization	139,771	182,834
Earnings / (loss) before interest and tax	139,306	182,386
Profit / (loss) before tax	103,662	162,068
Less: tax	(35,392)	(24,282)
Profit / (loss) for the year	68,271	137,786
Basic and diluted earnings per share for profit attributable to equity holders during the year (in €)	2.01	4.06
Number of shares at the end of the fiscal year	33,930,000	33,930,000
Proposed dividend per share – (in €)	0.40	0.36

NET PROFIT 2004-2005

amounts in thousand €	1/1-31/12/2005	1/1-31/12/2004
Profit / (loss) before tax	103,662	162,068
Profit after Tax and Directors Remunerations(1)	103,662	162,068
Profit after Deferred Tax, Income, and Directors' Remunerations(1)	69,877	137,786
Profit after Deferred Tax, Income Tax, Directors' Remunerations and Prior years' tax audit differences(1)	68,271	137,786

NOTES:
(1) The members of the BoD do not receive any remuneration for their position as such. Remuneration paid to members of the Board of Directors as employees for the period 2004-2005 is included in operating expenses.

Revenue

At 31.12.2005, the Company's revenue reached at € 34.4 million compared to € 40.9 million approximately of the previous fiscal year showing a decrease of 15.8% The revenue's analysis is as follows:

amounts in thousand €	1/1-31/12/2005	1/1-31/12/2004	% change
Rental income	28,648	24,987	14.7%
Property sales	4,298	11,344	(62.1%)
Construction works	1,482	4,577	(67.6%)
Other	8	3	142.6%
Total	**34,437**	**40,911**	**(15.8%)**

The above table indicates that there has been a significant increase in the rental revenue (14.7%) while, at the same time, there has been a significant decline in the propety sales. This was due to the company's strategy of retaining its prime assets in view of their exploitation through leasing.

Gross Profit

The Company's gross profit reached at € 14.4 million in 2005 against € 14.2 million in 2004, showing an increase of 1.56%, despite the revenue decrease based on the company's efforts towards constant rationalization of the expenses.

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

The Company's earnings before interest, tax, depreciation and amortization (EBITDA on 31.12.2005 reached € 139.8 million compared to € 182.8 million approximately of the previous fiscal year showing a decrease of 15.8%. This decline was mainly based on the decrease of the net gain from fair value adjustment of investment property by 23.6%. In spite of the completion of major projects during the year 2005, such as the building in 49 Kifissias Avenue which was ajusted in fair value with a again of € 63.3 million, the fair value adjustment of completed projects of a much larger scale during the previous fiscal year must also be taken into account. We mention suggestively the Building complex in Ethnikis Antistasseos & Tzavella street Chalandri (Vodafone head quarters), the Complex building in 95-97 Kifissias Avenue in Maroussi (Cosmote offices) and the Building Complex in 221 Kifissias Avenue in Maroussi (Microsoft head quarters). There has also been an increase of € 3.3 million in administrative expenses out of which € 2.1 million account for bad debt provisions and tax audit differences provisions.

Profit before tax

The Company's profit before tax reached € 103.7 million against € 162.1 million of the previous fiscal year showing an decrease of 36%. This decline was mainly due to the cancellation of pre-sale agreements of parking spaces which led to a loss from investment in the subsidiary "Babis Vovos International Construction S.A. & Co G.P." of € 17.3 million. In the previous year, there was a respective gain of € 11 million from the investment in the same subsidiary. The above difference was partly compensated by the decline in the company's financial expenses which amounted to € 18.4 million compared to € 31.3 million during the previous fiscal year.

The increased financial expenses during the previous fiscal year were due to the replacement of the sale & lease-back agreement with a new agreement of the same type. This management decision resulted in a cash in flow of € 25 million which served the cash-flow needs of the company, but also in an one-off burden of the operating results with additional costs of the termination of the sale and lease back agreement before its maturity as well as with costs related to the complete duration of the contract that were gradually being amortized. The total burdening of the financial expenses amounted to € 11.5 million. During the fiscal year 2005, there were no respective extraordinary financial expenses.

BALANCE SHEETS 2004-2005		
amounts in million €	**2005**	**2004**
ASSETS		
Investment property and property, plant and equipment	727,501	556,494
Intangible assets	16,545	16,437
Inventories	10,151	4,017
Trade and other receivables	91,947	108,586
Cash and cash equivalents	9,615	49,394
Other assets	32,362	22,156
TOTAL ASSETS	**888,121**	**757,084**
EQUITY & LIABILITIES		
Long-term borrowings	280,454	277,117
Deferred income tax long term liabilities	92,710	58,925
Other long-term liabilities	4,496	4,649
Short-term borrowing	43,448	52,809
Other short term liabilities	76,200	35,364
Total liabilities	**497,307**	**428,864**
Share capital	46,832	46,832
Retained earnings and reserves attributable to the Company's equity holders	343,981	281,388
Capital and resedes attributable to the company's equity holders	**390,813**	**328,220**
TOTAL EQUITY & LIABILITIES	**888,121**	**757,084**

Investment property and property, plant and equipment

The Company's Investment Property and property, plant and equipment increased by 30.7% compared to the fiscal year 2004 and reached € 727.5 million against € 556.5 million approximately of the previous fiscal year. This increase is a result of the company's strategy during the last years in aiming at the development, retaining and exploiting of its property instead of selling it. The company's property value increased by approximately 102% based on the balance sheet figures from 2003 (€ 360.6 million) to 2005 (€ 727.5 million).

Intangible assets

There has been no specific change in 2005. Intangible assets include software licences and rights to transfer building coefficients. The rights to transfer buliding coefficient include the cost of purchasing the rights as well as the cost of the land which is allocated to the rights to transfer building coefficient and has not been used in the existing construction but will be used in a future construction as soon as the relevant Law 3044/2002 concerning the "Transfer of Building Coefficient" is enacted.

Inventories

The change of inventories during 2005 (€ 10.2 million) compared to 2004 (€ 4.0 million) consists of two basic parts:

a. the increase due to the reclassification of the value of the building complex in Patmou and Agrafon Street in Maroussi (€ 6.2 million) to the inventories. As far as this building complex is concerned, the company management has decided to construct a residential complex (block of flats) with the intention of selling it.

b. the decrease due to the management's decision to cancel the pre-sale agreements of parking spaces in view of their retainment and exploitation. This decision resulted in the reclassification of cost amounting to € 2.5 million from the inventories to the investment property.

Trade & other receivables

The decrease trade and other receivables in 2005 compared to 2004 is mainly due to the finalisation of a pre-sale agreement for two land plots in Mortero in the Municipality of Nea Erythrea by "ERGOLIPTIKI – KTIMATIKI – TOURISTIKI S.A. & Co Ltd" and the payment of the relevant price. There has also been a decrease in the debit balances (advances) of the company's suppliers within the framework of the company's efforts for further rationalization and planning of cash outflows.

Cash and cash equivalents

The inflow of € 25 million based on the afore- mentioned sale & leaseback agreement that was concluded in December 2004, resulted in a substantial increase of cash at the end of 2004 that also appeared in the balance sheets of the fiscal years 2004-2005. The above mentioned increased cash was used during the first months of 2005 for serving the company's investment and constructing activity. It is worth noting that the company's level of cash is considered to be sufficient for its proper operation and the continuation of its activities.

Borrowings

During the fiscal year 2005, the company's financing via borrowings reached at € 41.7 million. The total debt liabilities of the company (including the sales& leaseback agreements) are being decreased according to the agreed repayment schedules. 76.3% of the borrowings are related to sale and leaseback agreements for investment property and their repayment is mainly served by the leases received for the relevant property. Additional information on the borrowing structure is given in paragraph 7.3 "Structure of the Group's Borrowings".

Deferred tax liabilities

Deferred tax liabilities are mostly due to the gain from fair value adjustment on investment property. During the fiscal year 2005 these liabilities reached at € 92.7 million against € 58.9 million in the previous fiscal year. Deferred income tax is detemined by using tax rates (and laws) that are expected to apply when the related deferred income tax liabilities will actually be payable.

Other short term liabilities

The increase of short term liabilities mainly derives from the liability referred to the loss from the investment in the subsidiary “Babis Vovos International Construction S.A. & Co G.P.” and from the increase of the liability to the subsidiary “ALTECO S.A.”

Net Asset Value (NAV)

The Net Asset Value of the company reached at € 390.8 million representing an increase of 19.1% compared to the previous fiscal year (€ 328.2 million). The management insists on its strategy of continous increase of the company’s NAV. The main drivers of the NAV increase during 2005 were the tightening of yields in the office sector resulting mainly in a significant increase in the value of the sale & leaseback and BOT portfolio (Build Operate Transfer), the completion of a retail development project at 49 Kifissias Avenue, the cancellation of pre-sale agreements of parking spaces with the intention of retaining and exploiting them and a new project under construction at Gymnastiriou Street in Nea Erythrea.

DATA PER SHARE FOR THE FISCAL YEARS 2004-2005

amounts in €	1/1-31/12/2005	1/1-31/12/2004
Earnings / (loss) before interest, tax, depreciation and amortization	4.12	5.39
Profit / (loss) before tax	3.06	4.78
Profit after Tax and Directors Remunerations(1)	3.06	4.78
Profit after Deferred Tax, Income Tax and Directors’ Remunerations(1)	2.06	4.06
Profit after Deferred Tax, Income Tax, Directors’ Remunerations and Prior years’ tax audit differences(1)	2.01	4.06
Number of shares at the end of the fiscal year	33,930,000	33,930,000
Proposed dividend per share	0.40	0.36
NAV per share before deferred tax	14.25	11.41
NAV per share	11.52	9.67

NOTES:
(1) The members of the BoD do not receive any remuneration for their position as such. Remuneration paid to members of the Board of Directors as employees for the period 2004-2005 is included in operating expenses.

The Company’s NAV per share before deferred tax rose to € 14.25, registering an increase of 24.9% compared to 2004. The Company’s NAV after deferred tax rose to € 11.52, registering an increase of 19.1% compared to 2004. The Board of Directors will propose to the Annual General Meeting a dividend payment of € 0.40 per share. This represents an 11% increase compared to the dividend paid during the previous fiscal year (€ 0.36) and totally supports the management’s commitment to increasing dividend on a constant basis. It is worth noting that the dividend per share was increased by 67% during the period between 2002 and 2005.

7.2. Consolidated Fundamentals of the Group "Babis Vovos – International Construction S.A."

Consolidation principles

Under the provisions of Codified Law 2190/1920 and the IAS 27 for consolidated financial statements, "Babis Vovos – International Construction S.A." includes on a consolidated basis all the subsidiaries in which it participates with more than 50%. All companies were consolidated with the full consolidation method. All transactions between these companies were offset in the process of consolidation. The offset of subsidiaries transactions (liabilites, receivables, revenues, expenses, profit and losses) was done in full.

The consolidated financial statements include the financial statements of "Babis Vovos International Construction S.A." and its subsidiaries (consolidated with the full consolidation method). The subsidiaries included are as follows:

Company name	Country of registered office	Patrticipation percentage	
		Direct	Indirect
• BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A & Co G.P. (hereafter BVIC G.P.)	GREECE	99.90%	–
• DOMA S.A.	GREECE	98.98%	–
• ERGOLIPTIKI- KTIMATIKI – TOURISTIKI S.A. (hereafter ERGOLIPTIKI S.A.)	GREECE	51.00%	–
• INTERNATIONAL PALACE HOTEL S.A.	GREECE	–	51.00%(1)
• ALTECO S.A.	GREECE	99.01%	–

NOTES:
(1) It is included in the consolidation with 51% percentage of ownership through "Ergoliptiki - Ktimatiki - Touristiki S.A." which owns 100% of its share capital

The first four companies are included in the consolidated balance sheet of the fiscal years 2004 and 2005 while the last one (ALTECO S.A) is included only in the consolidated balance sheet of 2005 since it was acquired in January 2005.

The fiscal year closing date for all the consolidated companies coincides with the one for the parent company "Babis Vovos- International Construction S.A." (31.12.2005).

The table below shows subsidiary undertakings and their subsidiaries that have not been included in the consolidation since none of them has any business activity and most of them are being wound up.

Company	Percentage of participation (Direct)	Reasons Excluding Subsidiaries from the consolidation (article 97)
• ERGOLIPTIKI - KTIMATIKI- TOURISTIKI S.A. & Co G.P.	10%	No activity Under winding up
• BABIS VOVOS - INTERNATIONAL CONSTRUCTION S.A – G.P.	50%	No activity Under winding up
• INTERNATIONAL CONSTRUCTION S.A. & COMPANY G.P.	10%	No activity Under winding up
• INTERNATIONAL CONSTRUCTION S.A & Co G.P.	10%	No activity Under winding up
• INTERNATIONAL CONSTRUCTION & TOURISTIKI S.A. - Ch. ANAGNOSTOPOULOS & Co G.P.	50%	No activity

CONSOLIDATED INCOME STATEMENT 2004-2005

amounts in thousand €	1/1-31/12/2005	1/1-31/12/2004
Revenue	40,791	48,689
Gross profit / (loss)	14,518	16,292
Earnings / (loss) before interest, tax, depreciation and amortization	195,485	186,766
Earnings / (loss) before interest and tax	194,914	186,209
Profit / (loss) before tax	173,181	153,568
Less: tax	(48,827)	(23,090)
Profit / (loss) for the year	124,353	130,478
Attributable to:		
Equity holders of the company	120,789	129,862
Minority interest	3,565	616

Revenue

At 31.12.2005, the consolidated revenue reached € 40.8 million against € 48.7 million approximately of the previous fiscal year showing a decrease of 16.2%. The consoldated revenue is analysed as follows:

amounts in thousand €	1/1-31/12/2005	1/1-31/12/2004	% change
Rental income	35,011	31,318	11.8%
Property sales	4,298	12,794	(66.4%)
Construction works	1,482	4,577	(67.6%)
Total	**40,791**	**48,689**	**(16.2%)**

The above table indicates that there has been a significant increase in the rental revenue (11.8%) while, at the same time, there has been a significant decline in the propety sales. This was due to the Group's strategy of retaining its prime assets in view of their exploitation through leasing.

Gross Profit

The Group's gross profit reached € 14.5 million in 2005 against € 16.3 million in 2004, showing a decrease of 10.9% despite the greater percentagewise revenue decrease due to the Group's effort towards constant rationalization of the expenses.

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

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) at 31.12.2005 reached € 195.5 million compared to € 186.8 million approximately of the previous fiscal year, showing an increase of 4.7%. This increase was mainly based on the increase of the net gain from fair value adjustment on investment property which amounted to € 188.7 million in 2005, an increase of 7.5% compared to 2004 (€ 175.6 million). Furthermore, the decrease of the cost of sales compared to the previous fiscal year also contributed to the above positive result despite the fact that there was an increase in administrative expenses of € 4.7 million. The increase of the administrative expenses mainly derives from bad debt provisions and tax audit differences provisions.

Profit before tax

The Group's profit before tax at 31.12.2005 reached € 173.2 million against € 153.6 approximately during the pervious fiscal year showing an increase of 12.8%. In relation to the profit before tax, the upward trend of EBITDA was further increased due to the decline in the Group's financial expenses. Financial expenses reached € 21.7 million against € 32.5 of the previous fiscal year. As already mentioned, this decrease is due to the replacement of a sale & lease-back agreement with a new contract of the same type and the respective one-off financial costs.

CONSOLIDATED BALANCE SHEETS OF THE FISCAL YEARS 2004-2005		
amounts in thousand €	**2005**	**2004**
ASSETS		
Investment property and property plant and equipment	926,624	655,015
Intangible assets	18,973	18,866
Inventories	13,023	28,366
Trade and other receivables	53,563	69,842
Cash and cash equivalents	50,104	75,744
Other assets	255	626
TOTAL ASSETS	**1,062,542**	**848,460**
EQUITY AND LIABILITIES		
Long-term borrowings	341,271	295,125
Deferred income tax long-term liabilities	115,505	67,497
Other long-term liabilities	5,525	6,062
Short-term borrowings	73,737	54,484
Other short term liabilities	53,879	71,457
Total liabilities	**589,917**	**494,625**
Share capital	46,832	46,832
Retained earnings and reserves attributable to the company's equity holders	417,925	302,808
Capital and reserves attributable to the company's equity holders	*464,757*	*349,640*
Minority interest	7,868	4,194
Total equity	**472,626**	**353,835**
TOTAL EQUITY AND LIABILITIES	**1,062,542**	**848,460**

Investment property and Property, plant and equipment

The Group's investment property and property, plant and equipment showed an increase of 41.5% compared to the fiscal 2004 and reached € 926.6 million against € 655.0 million aproximately during the previous fiscal year. This increase is indicative of the company's strategy, during the last years, in aiming at the development, retaining and exploiting of its property instead of selling it. The Group's property value increased by more than 100% according to the balance sheet figures from € 456.5 million in 2003 to € 926.6 million in the fiscal year 2005 (an increase of aproximately 103%).

Intangible assets

There has been no specific change in 2005. Intangible assets include software licences and rights to transfer building coefficient.

Inventories

The decrease in the inventories during 2005 (€ 13.0 million) compared to 2004 (€ 28.4 million) consists of three basic parts:

a. the increase due to the reclassification of the value of the project in Patmou and Agrafon Street in Maroussi (€ 6.2 million) to the inventories. As far as this building complet is concerned, the management has decided to construct a residential complex (block of flats) with the intertion of selling it.
b. the decrease due to the management's decision to cancel the pre-sale agreements of parking spaces in view of their retainment and exploitation. This decision resulted in the reclassification of cost amounting to € 5.9 million from the inventories to the investment property.
c. the decrease due to the management's decision to cancel the pre-sale agreement of the building complex under construction in Delta Falirou in view of its retainment and exploitation through leasing. This decision resulted in the reclassification of cost amounting to € 18.5 million from the inventories to the investment property.

Trade and other receivables

As far as the consolidated data are concerned, the decrease in the trade and other receivables in 2005 compared to 2004 is mainly due to the finalisation of a pre-sale agreement of two land plots in Mortero in the Municipality of Nea Erythrea by "ERGOLIPTIKI – KTIMATIKI – TOURISTIKI S.A & Co Ltd" and the payment of the relevant price. The decrease in the debit balances (advances) of the parent company's suppliers within the framework of the company's efforts for further rationalization and planning of cash outflows is also reflected in the consolidated data.

Cash and cash equivalents

The afore-mentioned inflow of € 25 million based on the sale & leaseback agreement that was concluded in December 2004 is also reflected on the consolidated financial data. The above mentioned cash was used during the first months of 2005 in the framework of the Group's investment and constructing activity.
The consolidated cash also include committed deposits amounting to € 17.1 million in order to secure bank loan of the subsidiary "BVIC GP"

Borrowing

During the fiscal year 2005, the Group's financing via borrowing reached at € 118.7 million. Part of the above financing amounting to € 49 million concerns new sales & leaseback contracts of "BVIC GP" related to the building complex in Delta Falirou of a total price of € 59 million out of which 29 € million have been disbursed and of the new subsidiary "ALTECO S.A." for the bulding block in 49 Kifissias Av. in Maroussi amounting to € 20 million. 74.5% of the borrowings are related to sale and leaseback agreements for investment property and their repayment is mainly served by the leases received for the relevant property. Additional information on the borrowings structure is given in paragraph 7.3 "Structure of the Group's Borrowings".

Deferred tax liabilities

Deferred tax liabilities are mostly due to the gain from fair value adjustment in investment property. During the fiscal year 2005, these liabilities reached at € 115.5 million against € 67.5 million in the previous fiscal year. Deferred income tax is determined by using tax rates (and laws) that are expected to apply when the related income tax liabilities will actually be payable.

Other short term liabilities

The decrease in short term liabilities is mostly due to the cancellation of the pre-sale agreement of the property in Delta Falirouduring the fiscal year 2005. The subsidiary "BVIC GP" returned the advance payment of € 28 million to Carrefour without incurring any penalty. This resulted in the respective decrease in the customers' advances included in other short term liabilities.

Net Asset Value (NAV)

The NAV of the Group, after minority interest reached € 464.8 million representing an increase of 32.9% compared to the previous fiscal year (€ 349.6 million). The continous increase of the Group 's NAV is the main strategy of the management. The main drivers of the NAV increase during 2005 were the tightening of yields in the office sector resulting mainly in a significant increase in the value of the sale & leaseback and BOT portfolio , the completion of the retail building in 49 Kifissias Avenue, the cancellation of pre-sale agreements of 1,388 parking spaces in view of their retainment and exploitation as well as the beginning of the construction of a new project at Gymnastiriou Street in Nea Erythrea.

DATA PER SHARE FOR THE FISCAL YEARS 2004-2005

amounts in €	1/1-31/12/2005	1/1-31/12/2004
Earnings / (loss) before interest, tax, depreciation and amortization(1)	5.76	5.50
Profit / (loss) before tax(1)	5.10	4.53
Profit after Tax and Directors' Remunerations(1),(2)	5.06	4.51
Profit after Deferred Tax, Income Tax and Directors' Remunerations(1),(2)	3.75	3.95
Profit after Deferred Tax, Income Tax, Directors' Remuneration and Prior years' tax audit differences(1),(2)	3.66	3.85
NAV per share before deferred tax	17.10	12.29
NAV per share	13.70	10.30

NOTES:
(1) The amount are before the deduction of minority insterest.
(2) The members of the BoD do not receive any remuneration for their position as such. Remuneration paid to members of the Board of Directors as enployees for the period 2004-2005 is included in operating expenses.

The NAV per share of the Group before deferred tax rose to € 17.10 showing an increase of 39.1% compared to 2004 (€ 12.29), while the Group's NAV per share after deferred tax rose to € 13.70 showing an increase of 32.9% compared to 2004 (€ 10.30).

7.3. Structure of the Group's Borrowings

amounts in thousand €	2005	2004
Bank borrowings	88,790	54,887
Finance lease liabilities	326,218	294,722
Total borrowings *(a)*	**415,008**	**349,609**
Cash and equivalent *(b)*	50,104	75,744
Net Borrowings (a) – (b)	**364,904**	**273,865**

Interest rates for the total of Group's borrowings are floating. The average effective interest rate on the 31st of December 2005 was 6.20% for bank borrowings and 5.24% for finance lease liabilities. On the 31st of December 2005, the average effective interest rate for the total of the borrowings (including finance lease liabilities) was 5.45%.

Net borrowings represent 39% of the gross value of property portfolio (€ 936 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.

One of the greatest risks that the Group faces is the evolution of the interest rates. The historic low interest rate environment in combination with the increasing trend of the interest rates which is expected by the market to be intensified as well as the commitment to minimise the interest rate risk has led BVIC's management in entering into a financial floating - to - fixed interest rate swap with Credit Suisse for the entire sale and leaseback and BOT portfolio in January 2006. As a result of this transaction, the total cost of the current sale and leaseback and BOT portfolio, until its maturity, was set at 5.29%. It has to be noted that the current sale and leaseback and BOT portfolio represents approximately 80% of the Group's total borrowings.

8 INFORMATION ABOUT THE COMPANY

8.1. Share capital and shareholders of the Company

The share capital of "Babis Vovos – International Constructions S.A." totals € 10,179,000 and is divided into 33.930.000 common registered shares with voting right, at the nominal value of € 0.30 each.

The table below sets out the shareholding structure of the Company as at 3/4/2006.

SHAREHOLDING STRUCTURE OF "BABIS VOVOS - INTERNATIONAL CONSTRUCTION S.A."			
Principal Shareholders	**Number of Shares**	**Voting Rights**	**Percentage (%)**
• Charalampos Vovos	11,883,270	11,883,270	35.02%
• International Institutional Investors	19,397,612	19,397,612	57.17%
• Domestic Institutional Investors	1,524,290	1,524,290	4.49%
• Private Investors	1,124,828	1,124,828	3.32%
TOTAL	**33,930,000**	**33,930,000**	**100.00%**

With the exception of the above shareholders, there are no other persons or legal entities that control the Company or are in a position to control it directly or indirectly, separately or jointly.

Shareholder Rights

Each Company share embodies all the rights and obligations prescribed by the Law and the Company's Memorandum of Association, which does not include provisions more restrictive than the Law itself. Possesion of the share title implies rightfully that its holder consents to the Company's Memorandum of Association and to the legal decisions made by the General Shareholders' Meetings.

The company's memorandum of association does not provide for any special rights in favor of specific shareholders.

The Company's shares are freely traded. The lot-size is 10 shares.

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 Memorandum 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 te Codified Law 2190/1920.

In no case can the shareholder's creditors or their successors bring about the confiscation or sealing of any asset or of the books kept by the Company, nor can they request its liquidation or winding up, or be in any way involved in the management or the administration of the company.

The registered office of the Company is regarded as the legal domicile of the shareholders with reference to their relations with the Company, irrespective of their real domicile. The shareholders are subject to the Greek Legislation. Any dispute arising between the Company, on the one hand, and the shareholders or any third party, on the other hand, comes under the exclusive jurisdiction of the ordinary courts, whereas the Company can be sued only before the courts of the district where its registered office is located.

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 Codified Law 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.

Dividends not claimed for five years are prescribed in favour of the Greek State.

The procedures for the deposit of shares, that will enable shareholders to participate in the General Meetings of the Company 's shareholders, and to receive dividend payments, are defined in the existing Clearing and Settlement Procedure of the Central Securities Depository Dematerialized Securities System.

8.2. Administration- Management

Pursuant to the resolution of the Extraordinary General Meeting of the shareholders, which was held on 23.09.2000, and during which the Board was formed, the Company 's Board of Directors consisted originally of nine members (Government Gazette 683/19.10.2000). Then, following the resignation of two members on 03.09.2001, it was reconstituted into a seven-membered body. In the 28.05.2002 meeting of the BoD Mrs. Maria-Louiza Andriakopoulou was elected member of the Company 's BoD in lieu of the resigned BoD member Mr Andreas Aktypis. Accordingly, the capacity of the BoD members as executive, non-executive and independent was redetermined (Government Gazette 11767/22.11.2002). According to the 8/12/2004 of the Board of Directors, Mr Armodios CH. Vovos was appointed Chief Executive Officer while the company can also be represented by the Vice-Chairman of the Board widening thus the company's representation. Apart of certain cases such as the purchase or sale of property, the signing of preliminary agreements for the purchase/sale of property, leasing contracts, collection of money orders in any amount and loans. (Government Gazette 14865/17.12.2004). The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Charalambos Vovos	Chairman (Executive)
• Thaleia Vovos	Vice-Chairman (Executive)
• Armodios Vovos	Chief Executive Officer (Executive)
• Evangelia wife of Sofianos Asimakopoulos	Member of the Board (Executive)
• Triada Vovos	Member of the Board (Non Executive)
• Maria -Louiza Andriakopoulos	Member of the Board (Non Executive – Independent)
• Maria Skouteropoulos	Member of the Board (Non Executive – Independent)

The term of office of the Board of Directors is five years and expires on 30.06.2006.

Mrs. Maria-Louiza Andriakopoulos and Mrs. Maria Skouteropoulos are independent members of the BoD. Independent members are those, who are not in a relation of dependence on the Company or its affiliates.

The Company is represented to any authority by Charalambos A. Vovos, Armodios Ch. Vovos and Thaleia Ch. Vovos apart from certain cases such as the purchase or sale of property, the signing of preliminary agreements for the purchase/sale of property, leasing contracts, collection of money orders in any amount and loans. In these cases, the signature of Charalambos A. Vovos and one of the other two representatives is required.

All BoD members have committed themselves not to engage in competitive to the company activities, either individually or through their participation in a company apart from the cases where there is an explicit approval of the General Meeting of the shareholders.

The members of the Board of Directors of “Babis Vovos International Construction S.A.” are presented hereunder:

Charalampos Vovos of Armodios
Chairman of the Board of Directors. Graduate of the N.T.U.A. Civil Engineering Faculty. After his graduation, at the age of 24, he decided to engage in Real Estate Development and he constituted a partnership with experts P. Famelis and I. Zouganelis under the name "Famelis – Zouganelis – Vovos General Partnership" assuming the scientific part (designs etc.) of the company's works. In January 1974 he created the company which is currently named "Babis Vovos - International Construction S.A." His name is linked to large-scale pioneer building complexes in the Attika region which have made BVIC S.A. a leading company in Greek Real Estate market.

Thaleia Vovos of Charalampos
Vice Chairman of the Board of Directors. Graduate of the Athens Law School. She has been working in the company since 1989. She has been a BoD member since 1992.

Armodios Vovos of Charalampos
Managing Director and Executive member of the Board. Graduate of the N.T.U.A. Civil Engineering Faculty. He has been working in the Company and has been a BoD member since 1992.

Triada Vovos of Charalampos
She has been working in the company since 1989. She has been a BoD member since 1992.

Maria Skouteropoulos of Athanasios
Non-executive and independent member of the Board. Lawyer licenced to practice before the Supreme Court of Appeals. Graduate of Law Faculty of the National and Kapodistrian University of Athens with postgraduate studies in the University of Hamburg (European Commercial Law). She has worked as a legal adviser for large insurance companies. She has been a member of the Board since 2000.

Maria-Louiza Andriakopoulou
Non-executive and independent member of the Board.Graduate of the Athens University Law School. Since 1992, she has been working as a lawyer in Athens specializing in civil law. She has been a member of the Board since 2001.

Evangelia Asimakopoulos
Executive member of the Board and Head of Human Resources. She is a graduate of the University of Patras (Mathematics Faculty). She has been working in the Company since 1987 and has been a member of the Board since 1997.

The members of the Company 's Board of Directors are not remunerated for their position as such. In the fiscal year 2005, total remuneration and other benefits received by BoD members, as employees are included in the operating expenses.

The mailing address of the BoD members is 340 Kifissias Avenue154 51 – Neo Psychiko.

Executives – Heads of Departments:

Vassilios Anagnostopoulos of Tryfon
Head of the Legal Department. Lawyer licenced to practice before the Supreme Court of Appeals. He is a graduate of the Athens Law School and has been working in the Company since 1974.

Panagiotis Anastasakis

Head of Corporate Development. Graduate of the Business Administration Department of the University of Piraeus and holder of an MBA in Finance from the Manchester Business School. He has been working in the Company since December 2002. He was a founding member and Investment Manager of Altius Closed-End Fund (2000-2002), private funds investment adviser in collaboration with Omega Securities S.A. and portfolio manager of private and institutional funds in collaboration with the Japanese investment house Nikko Securities.

Stavros Chatziavraam

Chief Financial Officer. Graduate of the Business Administration Department of the University of Piraeus. Two-year postgraduate studies in the Institute of Certified Auditors Accountants. He has a long experience in the financial-accounting branch and his last position was in the auditing company SOL S.A. He has been working in the Company since 2002. He has been in his present position since May 2003.

Maria Vovos -Stavridakis

Head of Sales-Leases Department. She is a graduate of the Department of Political Science & Public Administration of the Athens Law School and has been working in the Company since 1989.

Triada Vovos of Dimitrios

Head of the Technical Services Department. She is a Graduate of the N.T.U.A. Civil Engineering Department. She has been working in the Company since 1984.

Andreas Miserlis

Head of Financial Services. He is a graduate of the Supreme Industrial School of Thessaloniki and has been working in the Company since 1980.

Michael Eleftheriadis of Vasileios

Head of Internal Control. He is a graduate of the Athens University of Economics and Business with further education in auditing and internal control. He has been working in the Company since 1991 and holds the present position by a Board 's decision made on 28/5/2001.

Christos Raptis of Konstantinos

Communication Adviser. Graduate of the Faculty of Communication and Media Studies in the University of Athens. He has been working in the Company since January 2003. He has worked for a daily news program of Antenna TV (2002), he has been a member of the editorial team of a magazine of Hachette Rizzoli publishing house (1999-2002) and has worked for Lambrakis Press S.A. prints.

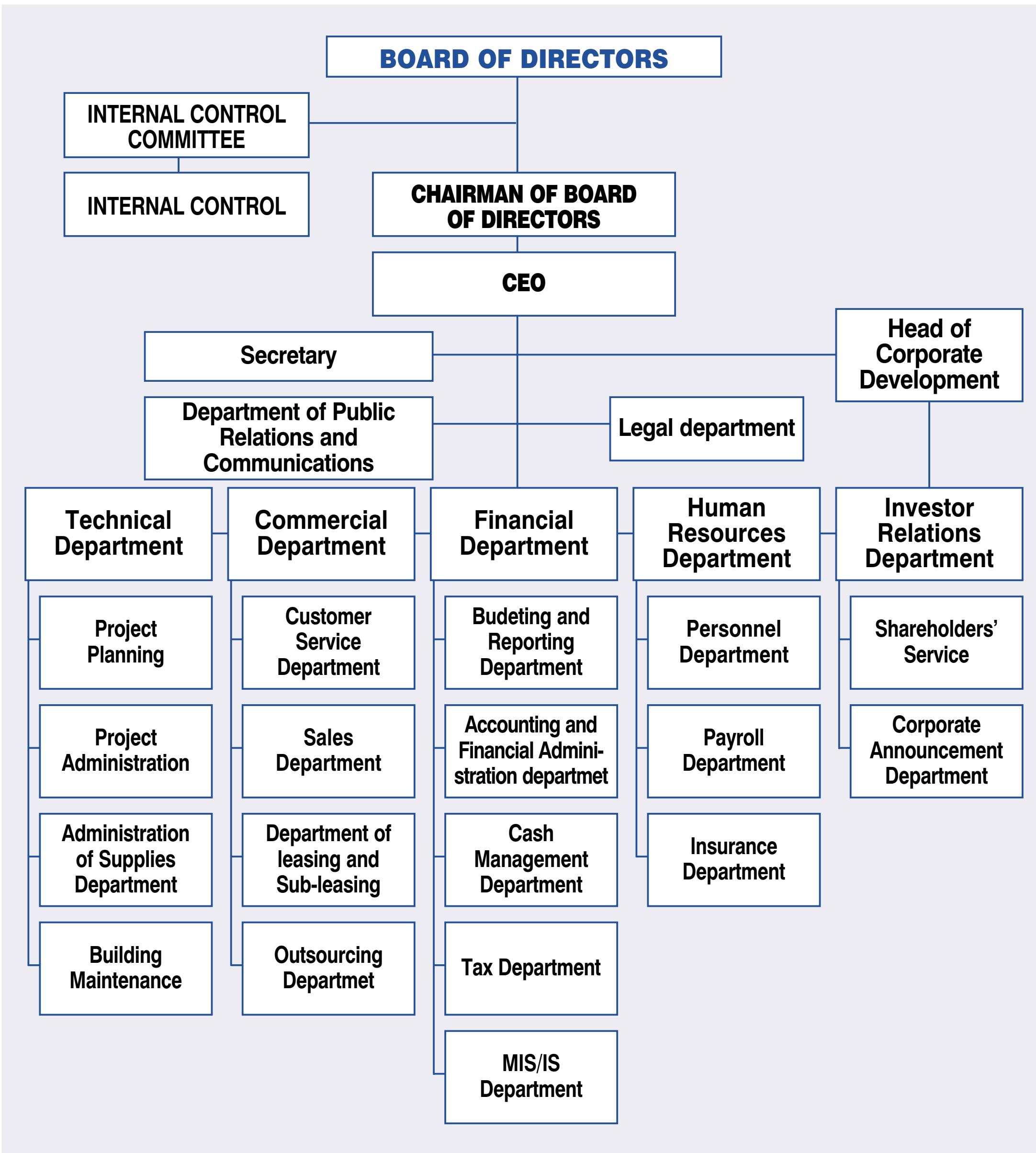
Verina Vaggelatou

Head of Investor relations. She holds a Bachelor degree in Economics from Manchester University as well as a Master degree in International Money and Banking from Birmingham. University. She has been working in the Company since August 2004. More recently, she had been working as an analyst in Coca Cola and in JP Morgan.

All BoD members and executive members of the Company are Greek nationals.

8.3. Organizational Chart of "Babis Vovos International Construction S.A."

The structure of the Company is set out in the following organizational chart:



It is noted that the Company, pursuant to the Decision 5/204/14.11.2000 of the BoD of the Capital Market Commission, has created a shareholders' service department and a corporate announcements department. These departments are headed by Mrs. Georgia Kiose and Mr Christos Raptis respectively, whereas Mr. Michael Eleftheriadis has been appointed head of the internal audit department.

8.4. Personnel

The following table shows the development of the number of employees and their classification per category according to their specialty 2004 – 2005 as per the notes to the financial statements for the corresponding fiscal years. In 2005, the average number of persons employed by the Company was 369. The number of manual workers fluctuates from year to year but also within each fiscal year depending on the progress of works.

Staff category	2004	2005
Administrative personnel	200	193
Manual –technical personnel	287	176
Total	**487**	**369**

The Company recognizing the importance of a good working environment for the successful completion of its operations is committed to maintain excellent relations with its personnel without any labour problems arising.

The average age of employees on 31.12.2005 was 38 years, while on 31.03.2006 the Company employed 245 people, 37 of which are holders of Bachelor's or Master's degrees.

It is noted that the Company carries an employment regulation. The implementation and the adherence to the afore-mentioned regulation are monitored by the Department of Human Resources of the Company.

8.5. Corporate governance

Law 3016 (Government Gazette 110/17.05.2002) instituted the practice of corporate governance with a view to harmonizing the Greek institutional framework with that of the international capital markets. Inter alia, corporate governance aims at the protection of shareholder rights for equal treatment, the guarantee of timely, full and detailed information about all issues bearing on the company, the effective monitoring of the Management by the Board of Directors and the responsibility of the BoD towards the company and the shareholders. "Babis Vovos – International Construction S.A.", with the intention of ensuring direct, continuous and detailed informing of investors, immediately adopted and implemented the practices of corporate governance.

Apart from the issues pertaining to Corporate Governance, the Company, in its effort to ensure transparency and open communication between the companies and the investors, meets most of the qualitative criteria for the promotion of listed companies. To this end, it has a website in compliance with requirements, it has created an investor relations department headed by Mr. Panos Anastasakis and participates in ASE meetings for the information of institutional and private investor.

Bylaws – Internal Control

The company has drawn up an employment regulation pursuant to the article 1, par. 1 of the Legislative Decree 3789/1957, as its staff exceeds the number of 50 people.

In addition, the Company has reviewed its Internal Regulation of Operations (Bylaws) at the points related with Corporate Governance issues and the new organizational structures of the Company. The revised new Bylaws have been put into effect by virtue of the minutes of the BoD dated 28/5/2001. The enforcement and observance of the Regulation in question is monitored by the Internal Control Department of “Babis Vovos – International Construction S.A.”

By decision of the Company’s Board of Directors, Mr. Michael B. Eleftheriadis was elected internal auditor of the Company. The work of the internal control department is supervised by the independent, non-executive members of “Babis Vovos – International Construction S.A.”, Mrs. Maria-Louiza Andriakopoulou and Mrs. Maria Skouteropoulou.

Furthermore, the heads of the Departments of Shareholders Service and Corporate Announcements of “BVIC S.A.” are Mrs. Georgia Kiosse and Mr. Christos Raptis respectively.

8.6. Corporate social responsibility

Responsible action on behalf of corporate enterprises has a direct impact on the society of our country. A corporate agenda that recognizes social concerns, social problems and priorities, should be an integral part of all companies. “Babis Vovos – International Construction S.A.” is a well established company in Greece whose strong presence in the local market is the outcome of relationships built over time. We are constantly bound in our actions by our code of ethics, aware that our actions and conduct reflect on our employees, our collaborators, our customers, our shareholders and the overall investing community; our aim is to make a contribution to society in general and have a positive impact on the environment. Corporate social responsibility is the vital link between society and companies and it contributes to the preservation of stability. Corporate growth and development, demand a stable and secure environment which can promote investment.

Corporate social responsibility is fully integrated into our entrepreneurial strategy and viewed as good corporate governance that will support our economic development. We strive for zero environmental impact from our building facilities and to operate always within the boundaries of a code of ethics. We feel morally committed to creating the ideal working environment for our employees, and at the same time to ensure equal opportunities to all. We provide ongoing training to company executives and employees developing side by side and always utilizing the rules of the company code of conduct as a measure for our behavior. We all view corporate social responsibility as part of our tradition and our culture and all our acts and actions reflect on our desire to promote those values. Our aim is to give back to society, contributing part of our company’s profitability through a series of specific programs. A company can be characterized as financially viable only if it can minimize negative environmental impact, growing and operating taking into account the social expectations of its shareholders as well as those of the society.

Environmental pollution, rational use of energy resources, traffic congestion, unemployment, social exclusion are all issues that concern society in general. “Babis Vovos International Construction S.A.” seeking to contribute to the resolution of these issues, creates parking places in each building complex, and at the same time makes a point of introducing landscaped garden spaces. The growth of enterprises creates new jobs and when the legislative and tax issues that currently concern the entire Greek business world are resolved, new growth will lead to a decrease in unemployment. Additionally, activating the transfer of building coefficient in the city centre, will help secure and further increase the areas of green. By exchanging a land plot in the city centre or in a residential area, with one in a business park, the former will automatically become or remain an area of green and every form of construction will be forbidden.

We are fully aware of the requirements and the expectations of our shareholders, our company employees and society in general and we are setting up programmes in support of non-profit associations.

Our attempts to reconcile economic growth and smooth governance for “BVIC” with social advancement and prosperity are ongoing, tireless and one of our principle concerns. Corporate social responsibility for BVIC is a moral imperative and not a legal obligation. Our identity is our commitment to act in a morally correct way, improving the quality of life of our employees as well as of the society in general.

8.7. Litigation

There is no litigation or arbitration pending against the Company or against companies held by the former,which might have a material impact on their financial position, with the exception of those mentioned below,which relate to the Company and its subsidiary “BVIC G.P.”

The litigious cases are the following:

- Petition by A. Pappas and Ch. Zavitsanos before the Administrative Appeallate Court of Athens for the annulment of the following: 1. The no 5314/2004 decision of the Prefect of East Attika 2. The building permit no 1208/2004 of the Planning Department in Markopoulo 3. The no. 6719/2004 decision of the Prefect of East Attika 4. All other relevant to the above preeceding or subsequent act or omission of the Administration. It concerns a permit issued for the construction of a seasonal residential complex in Pountazeza in the Municipality of Lavrio. The hearing of the appeal has been postponed due to pendency concerning the above mentioned contested decisions before the Council of State. Due to the fact that the Council of State has reached a verdict for all the above, the Administrative Appeallate Court will cancel the appeal.

- Petitions by a. Chalivelakis Dimitrios and b) Athanassios Leventis e.t.c before the Council of State for the annulment of 1 the ΥΠΠΟ/ΑΡΧ/Α1/Φ02/35732/ 2105/2/2105/16-7-1998 decision of the Ministry of Culture 2. The decision no. 34/2003 of the Committee of First Instance for Forest Disputes 3. The no 6719/28-6-2004 decision of the Prefect of East Attika concerning the shifting of country roads 4.the no 5314/22-3-2004 of the Prefect of East Attika concerning the extension of the period of validity in relation to the issuing of the building permit and 5. The no. 128/2004 building permit Planning Department in Markopoulo for the construction of a seasonal residential complex in Pountazeza in the Municipality of Lavreotikin- the cases were discussed on the 2/3/2005 and the decisions no 4 328/2005 και 4549/2005 were issued respectively partly accepting the petitions with the annulment of the permit and the decision ΗΠ5314/2004 and referring the hearing of the petition for the decision 6719/2004 to the Administrative Court of First Instance. The Company has already proceeded to the implementation of an alternative plan concerning the exploitation of the land plot.

- The Association “Intervention of Amaroussio Citizens” has filed a claim before Section E’ of the Council of State against the Minister of Environment, Physical Planning and Public Works and against the Municipality of Amaroussio for the suspension and annulment of two presidential decrees and the no.194/2001 building permit of the Planning Department of Amaroussio and the no.22976/2003 revision act of the permit, for the construction of two Buildings on a plot owned by “BVIC S.A.” on Kifissias Av. and Sina Str. in Amaroussio. One of these buildings has already been completed while the other is under construction. With the 230/2004 Decision of the Suspensions Committee,only the execution of the above revision act was suspended. The case was discussed on 12 January 2005 and the ruling was for the annulment of the revision act.

- Claim for damages by “OMEGA TRAPEZIKI S.A.” against “BVIC S.A.” and “BVIC G.P.” before the Multi-Member Court of First Instance of Athens for the reversion of the sale of horizontal ownerships in the building at 4, Theofanous Str and the reimbursement of the price due to the annulment of the building permit by the Council of State – the case was discussed on the 24/5/2005 and the claim was dismissed. The plaintiff has lodged an appeal which will be discussed on the 05/10/2006 and we believe that the outcome will be the same.

- The General Hospital for Thorax Diseases “SOTIRIA” has filed before the Multi-Member Court of First Instance of Athens a suit against the company “BVIC S.A.” for the refusal to pay the amount of € 293.410,30 as donation, an obligation that was assumed – according to their allegations-in virtue of the contract no 4931/2000 before the notary of Athens P.E Peraki. It was discussed on 2/6/2005 and the ruling is expected. We estimate that there are equal probabilities for a positive or negative outcome.

- Appeal against the decision no. 6413/2005 of the Multi-Member Court of First instance of Athens that accepted the suit of Konstandinos Houmis and Sylvia Saropoulos for the payment of 100,186.58 euro for the damages that incurred to their residence due to inundation. It will be discussed on the 6/4/2006. The probability for a positive outcome amounts to 50%.

- Claim for damages of “BVIC S.A.” against Olympia Kalocheriti nee Sacha etc. before the Multi-Member Court of First Instance of Athens due to lack of stipulated capacity at the conclusion of the contract no 7441/2000 of the notary of Athens M. Gasparinatos-Tzouganatos for the acquisition of their land plot at 4,Theofanous Str. (part of the plot belonged to EYDAP and the company was forced to repurchase it). Day of the trial: 25.01.2007. It is estimated that there is a high probability of a positive outcome for the company.

- Petition of Loukia Mourtziapis against “BVIC S.A.” before the Court of Appeals of Athens for the determination of the definitive price per unit regarding the property that was laid out resulting in a land plot of 500 sq.m. The land plot was purchased by Nikolaos Botsas and Alexandros Kalatzis (It is part of Building Block C420). The claimed amount is 283,500.00 € (2,100.00 € /m^2). The proposal of our company had been 900,00 € /m^2. It was discussed in the Court of Appeals on 8/11/2005 and the decision that was issued determined the price per unit for the compensation at 2.000,00 € /m^2

- Suit of Kassimatis Foundation against “BVIC S.A.” before the Single Member Court of First Instance (Leasing)- Day of the hearing: 08/11/2006. The Foundation with its suit that is reinstated requests the award of the amount of 397,000 € for reajustments due since 2001, for the three properties leased by the Company.There are three counter-suits dated from November of 2004 of the Company against the Foundation requesting a reduction of the rent paid and of the readjustment percentage which will be discussed on 04.5.2006. There is a strong probabilty for the suit of the Foundation concerning the amounts up to November 2004 to be accepted. There is also a strong probability for a positive to the company outcome in which case the reajustment percentage as well as the rent paid will be reduced.

- Claim for damages of the HOME for INCURABLES against “BVIC G.P.” before the Multi-Member Court of First Instance of Athens, concerning the payment of 900,000.00 € as compensation for alledged damages by the breach of obligation assumed by the company. Day of the trial: 15.11.2007 It is estimated that the probabilities for a positive or negative outcome are equal.

- Claim for damages by “BVIC G.P.” against the Greek State amounting to € 1,766,691.12. The claim is related to the issue of administrative acts (building permits) in virtue of law provisions that were subsequently annulled as a result of the transfer of building coefficient law being repealed as unconstitutional. The Three-Member Administrative Court of First Instance dismissed the claim in virtue of its decision no 4191/2001. An appeal was brought against the above decision which was discussed on 5/5/2003 by the Athens Adinistrative Court of Appeal. The Court of Appeal with its decision 5125/2003 rejected the aforementioned appeal. Against this decision and in view of the final settlement of the case, an annulment petition has been filed before the Section A of the Council of State

For the pending litigation that may lead to financial obligations for the Group’s companies, adequate provisions have been formed. These provisions have already burdered the results of the fiscal year 2005.

8.8. Tax audit

The tax audit for the fiscal year 2000 up to and including the fiscal year 2003 of the parent company BVIC S.A was completed in the fiscal year 2005 and the resulting tax audit diffeences amounting to € 1,607 thousand burdened the results of the fiscal year 2005. The company's tax obligations for the fiscal years 2004 up to and including 2005 have not been finalized.

The tax audit for the fiscal year 1999 up to and including 2002 of the company BVIC S.A. & Co G.P. was also completed in the fiscal year 2005 and the resulting tax audit differences amounting to € 997 thousand have burdened the results of the fiscal year 2005. The company's tax obligations for the fiscal years 2003 up to and including 2005 have not been finalized.

The tax audit for the fiscal year 2000 up to and including 2002 by virtue of Law 3259/2004 of the company "ERGOLIPTIKI S.A." in which the parent company participates with a percentage of 51%, was also completed in the fiscal year 2005 and the resulting tax audit differences amounting to € 169 thousand have burdened the results of the fiscal year 2005. The company's tax obligations for the fiscal years 2003 up to and including 2005 have not been finalized.

The company "DOMA S.A." in which the parent company participates with a percentage of 98,98%, has been tax audited up to and including the fiscal year 1998. The tax audit of the fiscal year 1991 up to and including 1998 did not result in any tax or surcharge burdening the company. On 24/7/2000 "DOMA S.A." filed for a tax audit for the fiscal year 1999 which had not been audited and the case is still pending. The company's tax obligations for the fiscal years 1999 up to and including 2005 have not been finalized.

The tax audit for the fiscal year 1999 up to and including 2002 by virtue of Law 3259/2004 of the company "INTERNATIONAL PALACE HOTEL S.A." in which the parent company participates indirectly with apercentage of 51%, was also completed in the fiscal year 2005 and the resulting tax audit diffeences amounting to € 325 encumbering the year 2005, have been imputed in the fiscal year 2005. The company's tax obligations for the fiscal years 2003 up to and including 2005 have not been finalized.

The company "ALTECO S.A." in which the parent company participates with a percentage of 99,01%, has been tax audited up to and including the fiscal year 1998. The company's tax obligations for the fiscal years 1999 up to and including 2005 have not been finalized.

With reference to the non audited fiscal years a provision for tax audit differences amounting to € 892 has been created for the parent company and all consolidated companies. This provision burdens the fiscal year 2005. More specifically:

amounts in thousand €	**Tax audit differences provision**
Babis Vovos International Construction S.A.	319
Babis Vovos International Construction S.A. & Co G.P.	218
Ergoliptiki - Ktimatiki - Touristiki S.A.	11
International Palace Hotel S.A.	59
DOMA S.A.	138
ALTECO S.A.	148
Total	**892**

8.9. Events for the period that were made public by the company

The events which were made public by the company during 2005 and the first months of 2006, are as follows:

Date	Subject	Webpage
	Ex-dividend and dividend payment	
1/7/2005	Announcement of dividend record date and payment date	www.babisvovos.com/ Investors Relation/ Investors News
2/3/2005	Proposed 2004 dividend	www.babisvovos.com/ Investors Relation/ Investors News
	General Shareholders Meetings	
23/12/2005	Decisions of General Assembly	www.babisvovos.com/ Investors Relation/ Investors News
19/7/2005	Decisions of General Assembly	www.babisvovos.com/ Investors Relation/ Investors News
6/7/2005	BVIC Annual General Meeting 2005	www.babisvovos.com/ Investors Relation/ Investors News
6/7/2005	Decisions of General Assembly (revised)	www.babisvovos.com/ Investors Relation/ Investors News
29/6/2005	Annual General Meeting on 30/06/2005	www.babisvovos.com/ Investors Relation/ Investors News
	Press releases	
18/4/2006	New lease agreement at Delta Falirou	www.babisvovos.com/ Investors Relation/ Investors News
29/3/2006	BVIC leases 40% of building complex I (BOT) at Delta Falirou	www.babisvovos.com/ Investors Relation/ Investors News
6/2/2006	BVIC signs a floating to fixed interest rate swap for the entire long-term debt portfolio	www.babisvovos.com/ Investors Relation/ Investors News
4/1/2006	BVIC Group Sale and Leaseback agreement with Emporiki Leasing	www.babisvovos.com/ Investors Relation/ Investors News
2/1/2006	Hotel development in Sounio	www.babisvovos.com/ Investors Relation/ Investors News
28/12/2005	Eur 59 million Sale and Leaseback agreement	www.babisvovos.com/ Investors Relation/ Investors News
1/12/2005	Babis Vovos International Construction: Real estate development at Syngrou Avenue	www.babisvovos.com/ Investors Relation/ Investors News
10/11/2005	Eur 20 million Sale and Leaseback agreement	www.babisvovos.com/ Investors Relation/ Investors News

Date	Subject	Webpage
8/11/2005	Sales agreement of Eur 3,595,000	www.babisvovos.com/ Investors Relation/ Investors News
4/11/2005	New lease agreements by BVIC Group	www.babisvovos.com/ Investors Relation/ Investors News
4/10/2005	BVIC Group signed a new lease agreement with Media Markt for the Delta Falirou project	www.babisvovos.com/ Investors Relation/ Investors News
21/9/2005	Village Roadshow first annual lease	www.babisvovos.com/ Investors Relation/ Investors News
20/9/2005	BVIC Group and Hellenic Exchanges agreement	www.babisvovos.com/ Investors Relation/ Investors News
14/9/2005	Leasing agreement with Village Roadshow	www.babisvovos.com/ Investors Relation/ Investors News
8/7/2005	Increase in the participation of BVIC in the FTSE EPRA/NAREIT Global Real Estate Index Series, the FTSE/ASE Mid 40 and the FTSE/ASE 140	www.babisvovos.com/ Investors Relation/ Investors News
4/7/2005	Reply to ASE's letter	www.babisvovos.com/ Investors Relation/ Investors News
29/6/2005	Reply to ASE's letter	www.babisvovos.com/ Investors Relation/ Investors News
25/5/2005	Major pre-let signed by BVIC with Media Markt	www.babisvovos.com/ Investors Relation/ Investors News
4/3/2005	Sounio hearing	www.babisvovos.com/ Investors Relation/ Investors News
2/2/2005	Sounio hearing postponed for 02/03/2005	www.babisvovos.com/ Investors Relation/ Investors News
12/1/2005	Sounio hearing postponed for 02/02/2005	www.babisvovos.com/ Investors Relation/ Investors News
	Financial Statements	
3/3/2006	Babis Vovos International Construction SA Full year 2005 financial results	www.babisvovos.com/ Investors Relation/ Investors News
28/11/2005	Q3 2005 BVIC Group Financial results	www.babisvovos.com/ Investors Relation/ Investors News
29/9/2005	H1 2005 BVIC Group Financial statements	www.babisvovos.com/ Investors Relation/ Investors News
10/6/2005	IFRS results for the 3-month period ended 31 March 2005	www.babisvovos.com/ Investors Relation/ Investors News
2/3/2005	B.V.I.C. - Financial results 2004	www.babisvovos.com/ Investors Relation/ Investors News

Date	Subject	Webpage
	Transactions notification	
31/3/2006	Sale of 5,430,000 shares held by Mr. Charalampos Vovos at an aggregate price of € 100M.	www.babisvovos.com/ Investors Relation/ Investors News
30/3/2006	Babis Vovos International Construction S.A. - Intention to sell 5,430,000 shares held by Charalampos Vovos	www.babisvovos.com/ Investors Relation/ Investors News
24/6/2005	Announcement of selling part of the shares owned by Charalampos Vovovs of Armodios, shareholder and Chairman of the Company's B.o.D	www.babisvovos.com/ Investors Relation/ Investors News
21/6/2005	Announcement of transactions by Charalampos Vovos	www.babisvovos.com/ Investors Relation/ Investors News
18/1/2005	Announcement of transactions by Charalampos Vovos	www.babisvovos.com/ Investors Relation/ Investors News
	Corporate actions	
1/3/2006	Intended corporate actions calendar for 2006	www.babisvovos.com/ Investors Relation/ Investors News
2/3/2005	Intended corporate actions calendar	www.babisvovos.com/ Investors Relation/ Investors News

The details of the above notifications can be found in the respective webpages that are indicated.

9

INFORMATION ON THE COMPILATION OF THE ANNUAL REPORT AND THE COMPANY'S AUDITORS

9.1. General information on the compilation of the Annual Report

The present annual Report has been drawn up and made available according to the provisions of the legislation in force as regards to the content of the information provided to investors as specified by the provisions of the decision no 5/204/14-11-2000 (Government Gazette 1487/6-12-2000) of the BoD of the Capital Market Committee as in force and by the Presidential Decree 348/1985.

The present Annual Report includes all the information and the financial data that are required for the proper assessment of the property, the financial status, the financial results and the prospects of "Babis Vovos International Construction S.A." by the investors and their investment consultants.

All the above financial data and information have been compiled according to the International Financial Reportng Standards (hereafter IFRS) . The date of the transition of BVIC is the 1st of January 2004. The Group prepared the opening IFRS balance sheet at that date. The Group's IFRS adoption date is 1st of January 2005.

The basis of transition to IFRS is described in detail in the consolidated and company financial statements of Babis Vovos international Construction S.A. for the fiscal year that ended on the 31st of December 2005 (see 12.3 below)

The Company's Board of Directors declares that all its members are aware of the contents of the this Annual Report and together with the authors thereof solemny confirm the following:

- All data and information comprised herein are complete and accurate.
- There are no other data nor have other events taken place, the concealment or omission of which would make the entire or part of the data or information contained in this Annual Report misleading.
- There is no litigation or arbitration pending against the Company or the companies held by the former which might have a material impact on their financial status, with the exception of those mentioned in this Annual Report.

9.2. Ordinary Certified Auditors – Accountants

The Company is audited by certified auditors-accountants. The audit of the fiscal year 2005 was conducted by Certified Auditor Mr. Antonios Prokopidis (member of the Institute of Certified Auditors- Accountants, registration no: 14511) of the auditing firm PKF EUROAUDITIG S.A (25 Stournari str., 106 82) and Mr Kiriakos Riris (Member of the Institute of Certified Auditors-Accountants, registration number: 12111) of the auditing firm PRICEWATERHOUSECOOPERS A.E.E. (268, Kifisias Av.152 32 Halandri)

The audit certification for the company and the Group is presented in paragraph 12.1 below. The certified Auditors- Accountants certify that the company and consolidated finacial statements present fairly, in all material respects the financial position of the Company and the Group as of 31 December 2005, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standar as adopted by the European Union.

Further more the companies that are included in the consolidated financial statements of “Babis Vovos – International Construction S.A.” for the fiscal years 2004-2005 are audited for the fiscal year 2005 by Certified Auditors-Accountants as follows:

a) ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A.: Antonios Prokopidis (member of the Institute of Certified Auditors- Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.

b) “DOMA S.A.”: Antonios Prokopidis (member of the Institute of Certified Auditors-Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.

c) BABIS VOVOS – INTERNATIONAL CONSTRUCTION S.A. & Co G.P.: Kiriakos Riris (Member of the Institute of Certified Auditors-Accountants, registration number: 12111) of the auditing firm PRICEWATERHOUSECOOPERS SA. (268, Kifisias Av.152 32 Halandri)

d) “INTERNATIONAL PALACE HOTEL S.A.”: Antonios Prokopidis (member of the Institute of Certified Auditors- Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.

e) “ALTECO S.A.”: Antonios Prokopidis (member of the Institute of Certified Auditors-Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.

9.3. Availabilty of the Annual Report

The Annual report is available to investors free of charge, after the publication of the annual financial statements and in any case ten (10) working days prior to the Annual ordinary General Meeting of shareholders. A copy of the Annual Report is submitted to the Capital Maket Commission and the Athens Stock Exchange.

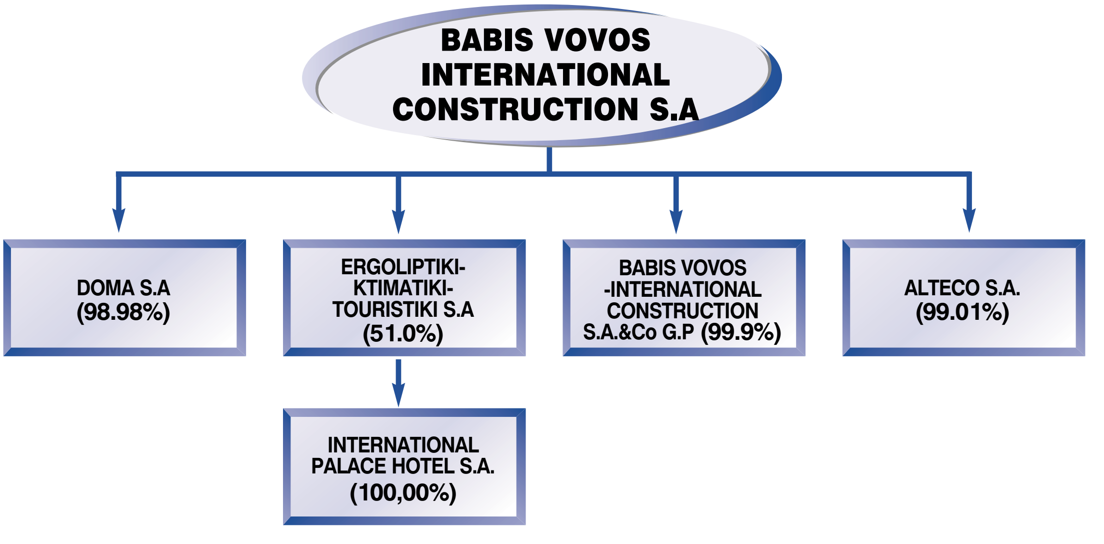
Shareholders and investors that are interested for additional information, and clarifications about "Babis Vovos- International Construction S.A." may contact during working hours the Head of Investor Relations of the Company. (3, Premetis, 15125 Maroussi) e-mail: ir@babisvovos.gr (Contact: Mrs Verinna Vaggelatos, tel.: 210-6107201). Copies in electronic format of the present Annual Report as well as prior years' annual reports are also available on the Company's website www.babisvovos.com

10 "BABIS VOVOS - INTERNATIONAL CONSTRUCTION S.A." AFFILIATED COMPANIES

10.1. Summary description of the Group and of the participating interests of the Company

The Company “Babis Vovos – International Construction S.A.” has no majority or minority participation interests in companies or joint ventures or partnerships of any legal form, nor has a common registered address or common management or joint participating interests with another company, nor do there exist any majority control contracts or contracts bearing on the appointment of other company bodies excluding companies specifically named in this chapter.

The chart below outlines the structure of the Group “Babis Vovos – International Construction S.A.” All companies in which “BVIC S.A.” has direct or indirect participating interests, with the exception of the companies that have been wound up or have no object:



DIRECT PARTICIPATION ON 31.12.2005 (amounts in euro)

Company	Share capital	Equity	% of shareholding
BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A &Co G.P.	29,347.03	40,043,173.83	99.90%
DOMA S.A	3,000,000.00	11,322,849.27	98.98%
ERGOLIPTIKI-KTIMATIKI-TOURISTIKI S.A.	5,280,000.00	15,285,001.83	51.00%
ALTECO S.A.	1,033,120.00	35,009,002.55	99.01%

10.2. Subsidiary undertakings

1. BABIS VOVOS – INTERNATIONAL CONSTRUCTION S.A & Co G.P.

Year of establishment	1983
Registered office:	**340, Kifissias Av. – Neo Psychiko**
Objectives:	The construction of buildings, either purchased by the Company or developed on the basis of the system of exchange of land for built space of equal value and the subsequent profitable sale or any type of exploitation as well as the establishment and operation of entertainment centers, restaurants, confectionery shops, coffee shops, bars, gymnasiums, sports clubs and related undertakings.

BVIC S.A, which is represented by Mr Charalambos Vovos, has been appointed as its director, manager, and legal representative. On 31/12/2005, the company employed a staff of 140.

COMPANY CAPITAL

Partners	Shares	Nominal Value (€)	Share Value (€)
BVIC SA	999	29.35	29,318
Charalambos Vovos	1	29.35	29
Total	**1,000**		**29,347**

According to the private Contract-Articles of Association of the company partners cannot transfer at any time and to any physical or legal person even part of their shares. An exception is made in the case of Charalambos Vovos who may transfer part or all of his shares to "BABIS VOVOS – INTERNATIONAL CONSTRUCTION S.A." should he decides so.

2. ERGOLIPTIKI – KTIMATIKI - TOURISTIKI S.A.

Year of establishment	1978
Registered office:	**340, Kifisias Av. Neo Psychiko**
Objectives:	To construct buildings and to sell them for profit or to exploit them commercially. To undertake the designs, supervision and construction of construction projects of any kind. To build hotels, and guest houses and to exploit or lease them on its behalf or on behalf of third persons.

On 31/12/2005, the company employed 1 person.

The share capital of the company amounts to € 5,280,000.00 , divided into 750,000 common registered shares of nominal value of € 7.04 each

The shareholding structure of the company is as follows:

Shareholder	No of shares	% of shareholding
BVIC SA	362,500	51.00%
Charalambos Vovos	318,750	42.50%
Maria wife of Ch. Vovos	48,750	6.50%
Total	**750,000**	**100.00%**

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Chalambos Vovos	Chairman & Chief Executive Officer
• Maria wife of Ch. Vovos	Vice-Chairman
• Armodios Vovos	Member of the BoD.
• Thaleia Vovos	Member of the BoD.
• Triada Vovos	Member of the BoD.

The term of office of the company's BoD expires on 28.06.2010.

3. DOMA S.A.

Year of establishment	1990
Registered office:	**3 Premetis Street, 151 25 - Marousi**
Objectives:	To undertake construction works in construction projects of any type, to acquire contractor certificates, to acquire land with a view to constructing on it any type of building, in order to sell or exploit it and to construct car parks either open or covered to be leasedor commercially exploited by it.

The share capital of the company amounts to € 3,000,000.00, and is divided into 100,000 common registered shares of nominal value of € 30.00 each
The shareholding structure of the company is as follows:

Shareholder	No of shares	% of shareholding
BVIC SA	98,980	98.98%
Charalambos Vovos	1,020	1.02%
Total	**100,000**	**100.00%**

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Charalambos Vovos	Chairman & Chief Executive Officer
• Armodios Vovos	Vice-Chairman
• Maria wife of Ch. Vovos	Member of the BoD
• Thaleia Vovos	Member of the BoD
• Trada Vovos	Member of the BoD

The term of office of the company's BoD expires on 28.06.2006.

4. ALTECO S.A. SOCIETE ANONYME OF ELECTRIC APPLIANCES – PROPERTY MANAGEMENT & EXPLOITATION

Year of establisment	1985
Registered office	**47 Solonos Street, 106 72 Athens**
Objectives:	The production, manufacturing, import, and marketing of electric domestic and electronic appliances and equipment as well as their installation, provision of technical assistance, maintenance, repair and after-sales service. Furthermore, the construction of commercial or recreational centers, the exploitation of the property of the company or of third parties as well as the management and exploitation of ententainment centers, restaurants, parking spaces and all other relevant undertakings.Furthermore, the acquisition, selling,leasing and concession of open or covered spaces.

The share capital of the company amounts to € 1,033,120 and is divided into 35,200 common registered shares of nominal value of € 29.35 each.
The shareholding structure of the company is as follows:

Shareholder	No of shares	% of shareholding
BVIC SA	34,850	99.01%
Chaniotis Theodoros	150	0.43%
Manousiadis Antonios	200	0.56%
Total	**35,200**	**100.00%**

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Christos S. Vovos	Chairman
• Thaleia Vovos	Vice-Chairman and Chief Executive Officer
• Armodios Vovos	Chief executive officer
• Triada Vovos	Member of the BoD
• Evagelia wife of Sofianos Asimakopoulos	Member of the BoD

The term of office of the company's BoD expires on 18.01.2010.

10.3. Subsidiaries of subsidiary undertakings

1. INTERNATIONAL PALACE HOTEL S.A.

Year of establishment	1972
Registered office:	**340, Kifissias Av.154 51 - Neo Psychiko**
Objectives:	To construct and commercially exploit hotels and other tourist facilities, to participate in other companies having related objects and to construct and sell builings on land owned by it or by third parties through the system of exchange of land for built space of equal value.

The share capital of the company amounts to € 4,002,280.38 and is divided into 1,365,966 common registered shares of nominal value of € 2.93 each. The shareholding structure of the company is as follows:

Shareholder	No of shares	% of shareholding
ERGOLIPTIKI-KTIMATIKH-TOURISTIKI S.A.	1,365,966	100.00%
Total	**1,365,966**	**100.00%**

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Charalambos Vovos	President & Chief Executive Officer
• Armodios Vovos	Vice-Charman
• Maria wife of Ch Vovos	Member of BoD
• Taleia Vovos	Member of BoD
• Triada Vovos	Member of BoD

The term of office of the company's BoD expires on 26.06.2008.
During the last four years it has no significant business activity.

2. ERGOLIPTIKI – KTIMATIKI – TOURISTIKI S.A. & Co Ltd.

Year of establishment	1990
Registered office:	**340, Kifisias Av. 154 51 – Neo Psychiko**
Objectives:	To construct buildings multi-storey or not on land located in Greece, either acquired by the company or developed on the basis of the system of exchange of land for built space of equal value and to sell them for a profit or to exploit them in general. In view of attaining or in general facilitating the attainment of its object, it has the power to furnish securities to third physical or legal persons.

The share capital of the company amounts to € 2,934.70 and its partners are the following:

Partner	% of shareholding
ERGOLIPTIKI-KTIMATIKI-TOURISTIKI S.A.	95.00%
Maria wife of Ch. Vovos	5.00%
Total	**100.00%**

The company "ERGOLIPTIKI – KTIMATIKI– TOURISTIKI S.A." has been appointed as its director, manager and legal representative of the former. The latter,however, is controlled by BVIC SA which holds 51% of its shares. Therefore, "ERGOLIPTIKI – KTIMATIKI – TOURISTIKI S.A. & Co Ltd" is actually managed by BVIC SA.

It is noted that the company has no significant business activities. In case it does, it will be required to maintain status C' Books of B.R.C and its financial statements will be consolidated with those of the company.

10.4. Related companies

1. INTERNATIONAL HEALTH CARE S.A

Year of establishment	1992
Registered office :	**3 Premetis Street, 151 25 – Maroussi**
Ojectives:	To organize, operate and exploit a Diagnostic and Medical Center and a Hospitalization Center

The share capital of the company amounts to € 10,530,463.95 and is divided into 3,594,015 common registered shares of nominal value of € 2.93 each. The shareholding structure of the company is as follows:

Shareholder	% of shareholding
Charalambos Vovos	92,00%
HELLENIC DEVELOPMENT INVESTMENT COMPANY S.A.	8,00%

The company is governed by a five-member Board of Directors which consists of the following:

BOARD OF DIRECTORS	
• Christos S. Vovos	Chairman & Chief Executive Oficer
• Panayotis El. Alexandris	Vice-Chairman
• Georgios Ag. Kalatzopoulos	BoD Member
• Georgios Alex. Konstantes	BoD Member
• Maria Stavridaki wife of Ch. Vovos	BoD Member

The term of office of the company's BoD expires on 30.06.2007.

2. MARVO S.A

Year of Establishment	1987
Registered Office:	**10-12 Kifissias Av. Maroussi**
Objecties:	To establish and exploit entertainment centers, restaurants, confectinary shops, coffee bars and all types of gymnasium and sports. To develop and exploit property by selling it, leasing , subletting, exchanging it by all means, to purchase and explit parking spaces. The commercialization of footware and accessories.

The share capital of the company amounts to € 171,000.00 and is divided into 5,700 common registered shares of nominal value of € 30.00 each. The shareholding structure of the company is as follows:

Shareholder	% of shareholding
Charalambos Vovos	90.00%
Maria wife of Ch. Vovos	10.00%

BABIS VOVOS
INTERNATIONAL CONSTRUCTION S.A.

The company is governed by a three-member Board of Directors which consists of the following:

BOARD OF DIRECTORS	
• Christos S. Vovos	Chairman & Chief Executive Oficer
• Thaleia Ch. Vovos	Vice-chairman
• Ion. I.Vovos	Member of BoD

The term of office of the company's BoD expires on 01.06.2006.

10.5. Intragroup transactions

The tables below show intragroup sales, intracompany balances of receivables / payables, between Babis Vovos International Construction S.A and related companies in the fiscal year 2005.

TABLE OF RELATED PARTIES' TRANSACTIONS (amounts in thousand €)

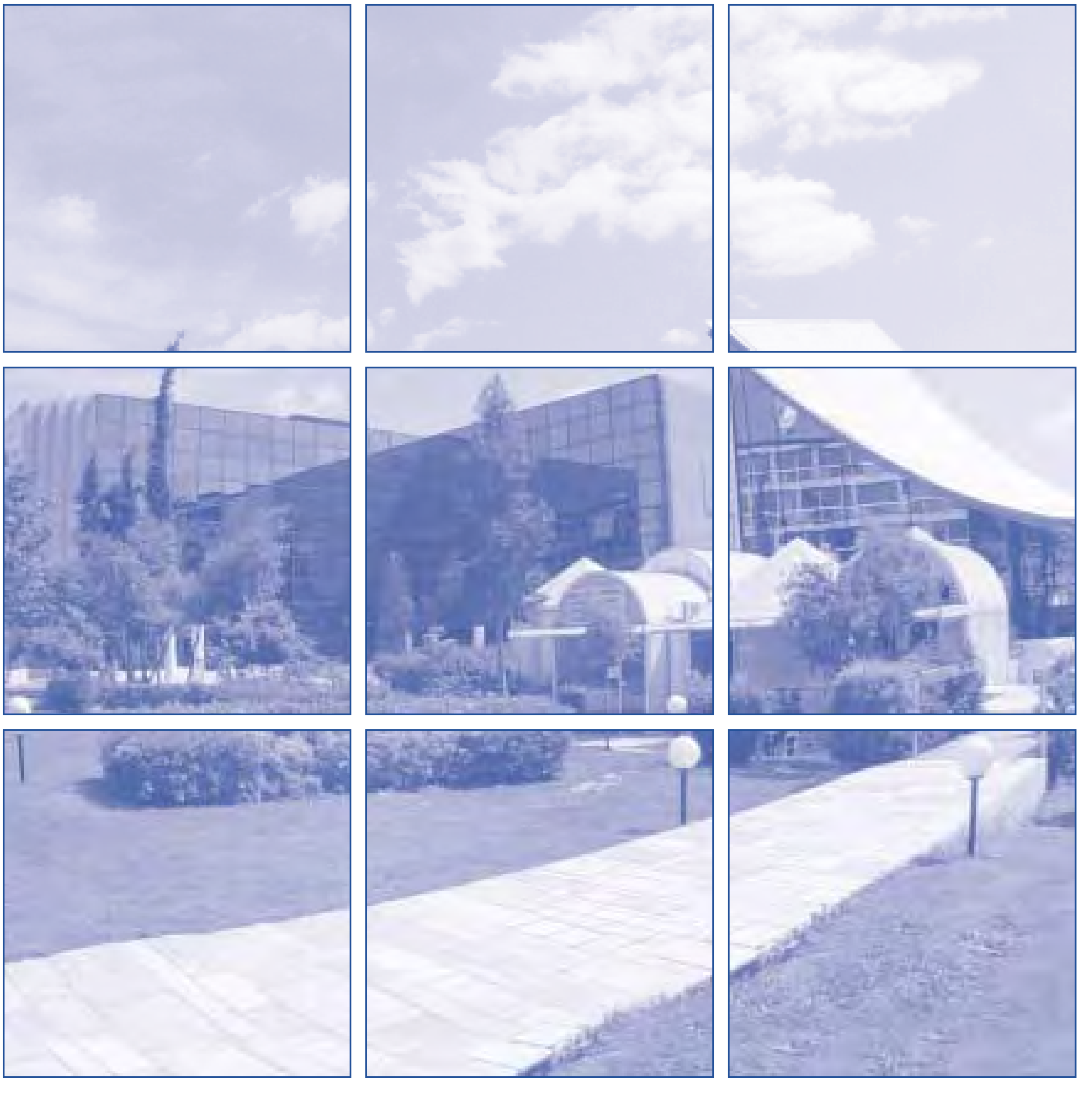
AT / FROM	Babis Vovos - International Construction S.A.	Babis Vovos - International Construction S.A. & Co G.P.	Ergoliptiki - Ktimatiki - Touristiki S.A.	International Palace Hotel S.A.	DOMA S.A.	ALTECO S.A.	Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	International Health Care S.A.	Postive Ltd	International Construction S.A. - Boretos & Co G.P.
Babis Vovos - International Construction S.A.		8	-	-	-	-	-	-	-	-
Babis Vovos - International Construction S.A. & Co G.P.	-		-	-	-	-	-	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-		-	-	-	-	-	-	-
International Palace Hotel S.A.	-	-	-		-	-	-	-	-	-
DOMA S.A.	-	-	-	-		-	-	-	-	-
ALTECO S.A.	-	-	-	-	-		-	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	-	-	-	-	-	-		-	-	-
International Health Care S.A.	-	-	-	-	-	-	-		-	-
Postive Ltd	-	-	-	-	-	-	-	-		-
International Construction S.A. - Boretos & Co G.P.	-	-	-	-	-	-	-	-	-	

TABLE OF RELATED PARTIES' BALANCES AS AT 31/12/2005 (amounts in thousand €)

PAYABLE / RECEIVABLE	Babis Vovos - International Construction S.A.	Babis Vovos - International Construction S.A. & Co G.P.	Ergoliptiki - Ktimatiki - Touristiki S.A.	International Palace Hotel S.A.	DOMA S.A.	ALTECO S.A.	Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	International Health Care S.A.	Postive Ltd	International Construction S.A. - Boretos & Co G.P.
Babis Vovos - International Construction S.A.		50,439	37	-	-	-	5,036	11,739	490	48
Babis Vovos - International Construction S.A. & Co G.P.	-		33	-	-	-	-	14	10	-
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-		16	-	-	5,988	-	-	-
International Palace Hotel S.A.	3,886	-	-		-	-	-	-	-	-
DOMA S.A.	8,266	84	-	-		-	-	183	-	-
ALTECO S.A.	10,937	-	-	-	-		-	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	-	-	-	-	-	-		-	-	-
International Health Care S.A.	-	-	-	-	-	-	-		-	-
Postive Ltd	-	-	-	-	-	-	-	-		-
International Construction S.A. - Boretos & Co G.P.	-	-	-	-	-	-	-	-	-	

During the fiscal year 2005, there have been no transactions other than the intra-company balances presented above, between Babis Vovos – International Construction S.A and related parties above.

11 SHARE DATA



11.1. Dividend policy

At the Annual Ordinary General Meeting of shareholders, the Board of Directors will recommend the dividend payment of € 13,572,000 in total, i.e € 0.40 per share. The management of the company sets as a future objective the distribution of a constant dividend that will satisfy the demands of investors in terms of return on capital, and the main target of the dividend policy is to remain above 35% and up to 40% of the earnings for distribution.

The dividend policy of the company for the period 2004 – 2005 is presented in the following table:

amounts in million €	2004	2005
Net results for the fiscal year before taxes	**162.07**	**103.66**
Less: Prior fiscal years' tax audit differences	–	1.61
Less: Income Tax	–	–
Less: Deferred tax	24.28	33.78
Earnings after the deduction of taxes	**137.79**	**68.27**
Total Dividend	12.21	13.57
% on Earnings after the deduction of taxes	8.87%	19.88%

Dividend Taxation

Under the provisions the law in force (Law 2238/1994, article 109 as it stands) domestic public companies listed on the Athens Stock Exchange, with the exception of Banks, are required to pay 35% tax on their taxable earnings prior to any payment of dividend.

Thus, dividend is paid from earnings that have already been taxed at the Company and therefore the shareholder is not liable to tax on the dividend he/she collected.

The date on which the General Meeting of Shareholders approved the Balance Sheet, is considered as the date the income from dividends is gained.

It is noted that under the provisions of the Law from the earnings generated by subsidiary undertakings in each fiscal year and in relation to which dividend is declared, the part of the dividends corresponding to the parent company is paid in the following fiscal year (unless interim dividend has been paid in the same year) and therefore it is recorded in the earnings of the parent company in the following fiscal year.

Dividends from the earnings of the parent company, which are in part generated by the distributed earnings of the companies in which the parent company participates, if they are to be distributed, are paid out in the following fiscal year.

Furthermore, with regard to the part of earnings the parent company made from dividends, the taxable amount is 5%, which is in turn subject to tax (32% for the fiscal year 2005), tax having already been paid out at its source.

11.2. Share Data

The shares of the Company were listed in the Main Market of the Athens Stock Exchange on 30/05/2001. The share of the Company "Babis Vovos – International Construction S.A." has been classified in the sector of "Real Estate Holding & Development" of the Daily Official List Announcements of ASE.

The share participates in the following indexes:

- as of 01.12.2001 in the FTSE/Athex Mid 40,
- as of 02.05.2002 in the General Index of ASE.,
- as of 30.05.2003 in the MSCI Small Cap Greece,
- as of 19.06.2003 in the FTSE Med 100,
- as of 01.04.2004 in the index EPRA / NAREIT,
- as of 30.09.2004 in the index Eurobank Mid Cap Private Sector 50 Index (EPSI50) and
- as of 02.01.2006 in the index FTSE/Athex International

The table below presents statistical data concerning the share closing price at the end of the month and the monthly trading volume for the period 03.01.2005 to 31.12.2005.

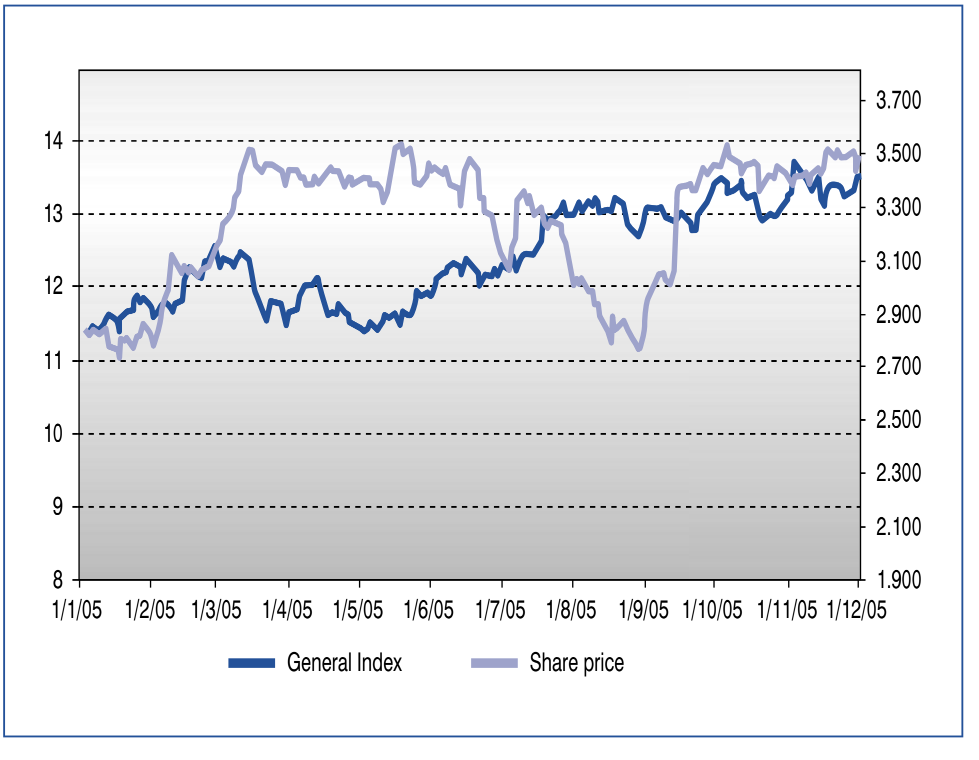
SHARE DATA

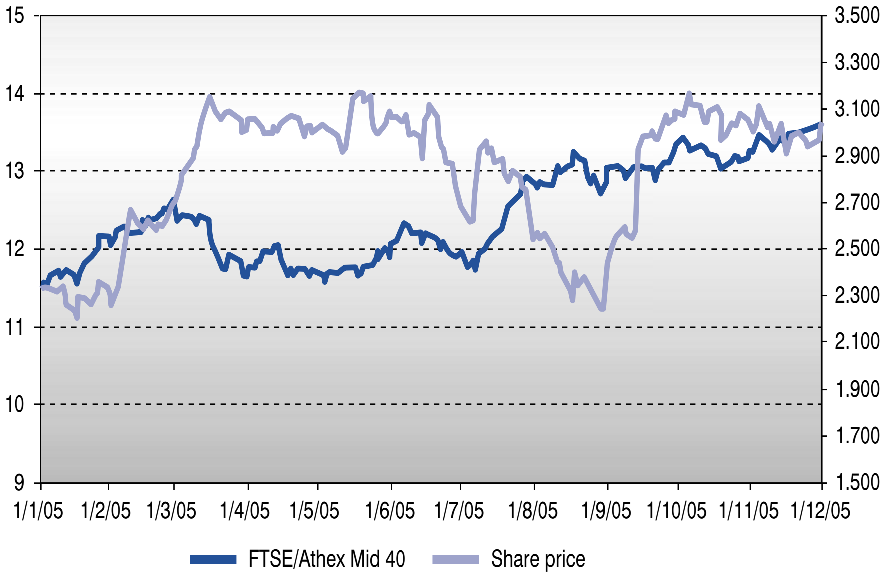
Month	Share closing price at the end of the month (in €)	Total monthly trading share volume (in pieces)	Closing price of the general index at the end of the month (units)	Closing Price of the Index FTSE/Athex Mid 40 тat the end of the month (units)
January 2005	11.48	2,115,351	2,919.93	2,549.42
February 2005	12.60	2,755,046	3,145.16	2,690.94
March 2005	13.52	1,072,826	2,854.91	2,386.06
April 2005	13.50	1,540,211	2,868.45	2,403.19
May 2005	13.76	1,126,333	2,959.53	2,474.44
June 2005	12.60	5,565,232	3,060.73	2,485.22
July 2005	12.58	1,168,326	3,271.78	2,807.60
August 2005	11.42	1,380,291	3,231.48	2,783.07
September 2005	13.74	1,499,351	3,381.96	2,938.91
October 2005	13.64	1,627,637	3,307.32	2,891.84
November 2005	13.48	1,275,497	3,441.64	3,007.82
December 2005	13.90	1,176,728	3,663.90	3,397.00

The chart below presents the course of the Company's share price and the daily trading volume for the period from 03.01.2005 to 31.12.2005.

The highest closing price of the Company's share for the year 2005 was recorded on 6.10.2005 and was € 14.00, while the lowest price for the year was € 11.14 and was recorded on 18.01.2005. The average share price for the year 2005 was € 13.00.

The charts below present the course of the Company's share price in relation to the ASE General Index and to the FTSE/Athex Mid 40 for the period 03.01.2005 to 31.12.2005.





It is noted that the data per share are presented in Chapter 7 "FINANCIAL OVERVIEW" of the present Annual Report.

11.3. Corporate actions calendar for 2006

- **29/06/2006:** Annual General Meeting of Shareholders
- **03/07/2006:** Ex-dividend Date
- **11/07/2006:** Dividend payment date (The dividend will be distributed through a bank. Further details will be announced in a new company press release).

Note: The Annual General Meeting of Shareholders (29/06/200) and the ex-dividend date (03/07/2006) follow the expiration of derivatives products on the FTSE / ASE – 40 and EPSI50 (16/06/2006) in which the company's share is included.

The Board of Directors of the Company has decided to propose a dividend payout of Eur 13,572,000.00 or Eur 0.40 per share, at the AGM.

12 FINANCIAL STATEMENTS

12.1. Report of the auditors

To the Shareholders of BABIS VOVOS SA

We have audited the accompanying balance sheet of BABIS VOVOS SA (the "Company") and the consolidated balance sheet of the Company and its subsidiaries (the "Group") as of 31 December 2005 and the related statements of income, cash flows and changes in shareholders' equity of the Company and the Group for the year then ended. These financial statements set out on pages 5 to 60 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Greek Auditing Standards which are based on International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also assessed the consistency of the information included in the Directors' Report with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2005, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors' Report is consistent with the financial statements.

Athens, 2 March 2006
THE CERTIFIED AUDITORS ACCOUNTANTS

ANTONIOS PROKOPIDIS SOEL REG. NO. 14511	KYRIAKOS RIRIS SOEL REG. NO. 12111
PKF ΕΥΡΩΕΛΕΓΚΤΙΚΗ Α.Ε.	PRICEWATERHOUSECOOPERS

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.

Figures and information for the period of 1 January 2005 until 31 December 2005

(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 illustrated below provide summary information about the financial position 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. Suggestively the reader can access the company's web site address where the above mentioned information is listed.

Registered Address: 340 Kifissias Avenue, 154 51 Neo Psychico
Company's No. in the register of Societes Anonymes : 2283/06/B/86/12
Board of Directors: Charalampos Vovos Chairman, Thaleia Vovos Vice-Chairman, Armodios Vovos Chief Executive Officer, Triada Vovos, Maria-Louiza Andriakopoulos, Maria Skouteropoulos, Evangelia Asimakopoulos - Members
Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005
Certified Auditor Accountants: Kyriakos Riris and Anthonios Prokopidis
Auditing firm: PRICEWATERHOUSE COOPERS S.A. and PKF Euroelegktiki S.A.
Type of auditor's opinion: Unqualified opinion
Company Web site: www.babisvovos.com

BALANCE SHEET (consolidated and company data)
Amounts in € thousand

		CONSOLIDATED		COMPANY	
		31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
ASSETS					
Investment property & Property, plant and equipment		926,624	655,015	727,501	556,494
Intangible assets		18,973	18,866	16,545	16,437
Inventories		13,023	28,366	10,151	4,017
Trade & other receivables		53,563	69,842	91,947	108,586
Cash and cash equivalents		50,104	75,744	9,615	49,394
Other Assets		255	626	32,362	22,156
TOTAL ASSETS		**1,062,542**	**848,460**	**888,121**	**757,084**
EQUITY AND LIABILITIES					
Long -term borrowings, including finance leases		341,271	295,125	280,454	277,117
Deferred income tax long term liabilities		115,505	67,497	92,710	58,925
Other long term liabilities		5,525	6,062	4,496	4,649
Short -term borrowings, including finance leases		73,737	54,484	43,448	52,809
Other short term liabilities		53,879	71,457	76,200	35,364
Total Liabilities	(a)	589,917	494,625	497,307	428,864
Share capital		46,832	46,832	46,832	46,832
Retained earnings and reserves attributable the Company's equity holders		417,925	302,808	343,981	281,388
Capital and reserves attributable the Company's equity holders	(b)	464,757	349,640	390,813	328,220
Minority interest	(c)	7,868	4,194	-	-
Total equity	(d)=(c)+(b)	**472,626**	**353,835**	**390,813**	**328,220**
TOTAL EQUITY & LIABILITIES	**(e)=(a)+(d)**	**1,062,542**	**848,460**	**888,121**	**757,084**

CHANGES IN EQUITY (consolidated and company data)
Amounts in € thousand

	CONSOLIDATED		COMPANY	
	31/12/2005	**31/12/2004**	**31/12/2005**	**31/12/2004**
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	**353,835**	**236,484**	**328,220**	**203,551**
Effect of adopting IAS 32 & 39	1,118		1,108	
Minority interests from business combinations	106			
Distributed dividend after approval by AGM	(6,786)	(769)	(6,786)	(769)
Profit Distribution (dividend, reserves)	-	(5,440)		(5,429)
Loss from disposal of treasury shares	-	(6,919)		(6,919)
Retained earnings	124,353	130,478	68,271	137,786
Equity balance (31/12/2005 and 31/12/2004 respectively)	**472,626**	**353,835**	**390,813**	**328,220**

CASH FLOW STATEMENT (consolidated and company data)
Amounts in € thousand

		CONSOLIDATED		COMPANY	
		1/1-31/12/2005	**1/1-31/12/2004**	**1/1-31/12/2005**	**1/1-31/12/2004**
Operating activities					
Net profit before tax		173,181	153,568	103,662	162,068
Adjustments for:					
Depreciation and amortisation		571	557	465	449
Interest expenses / (revenues)		21,734	32,641	18,387	31,270
Provisions		3,361	140	2,035	126
Results (revenues, expenses, profit, loss) from investment activities		(188,714)	(177,863)	(114,973)	(186,511)
Cash generated from operating activities before changes in working capital		10,132	9,043	9,576	7,402
Decrease / (increase) of inventory		(366)	(1,936)	14	1,077
Decrease / (increase) in trade & other receivables		15,942	(2,054)	15,504	(14,606)
Increase / (decrease) in short term liabilities (bank liabilities not included)		(26,149)	10,822	20,401	(12,518)
Cash flows from operating activities		(440)	15,875	45,495	(18,646)
Interest paid		(20,827)	(32,641)	(17,484)	(31,270)
Income tax paid		(3,806)	(10,964)	(2,937)	(6,596)
Net cash generated from operating activities	*(a)*	*(25,073)*	*(27,730)*	*25,074*	*(56,512)*
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		(10,572)	-	(10,572)	-
		-	-	-	-
Additions in investment property, Property, plant and equipment & intangible assets		(37,371)	(24,104)	(36,316)	(23,701)
Proceeds from sale of property, plant and equipment		-	4,250	-	4,250
Decrease (Increase) of other short - term liabilities		381	-	381	10,953
Net cash used in investing activities	*(b)*	*(47,562)*	*(19,854)*	*(46,507)*	*(8,498)*
Cash flows from financing activities					
Proceeds for disposal of treasury shares and other securities		-	38,241	-	38,241
Inflows from derivatives		7,200	-	7,200	-
Borrowings payback		(68,517)	(84,686)	(56,858)	(78,736)
Borrowings inflows		118,653	152,325	41,653	144,085
Dividend paid		(10,341)	(8,902)	(10,341)	(8,891)
Net cash used in financing activities	*(c)*	*46,995*	*96,978*	*(18,346)*	*94,699*
Net (decrease) / increase in cash and cash equivalents *(a) + (b) + (c)*		(25,640)	49,393	(39,779)	29,689
Cash and cash equivalents at beginning of the period		75,744	26,351	49,394	19,705
Cash and cash equivalents at end of the period		**50,104**	**75,744**	**9,615**	**49,394**

INCOME STATEMENT (consolidated and company data)
Amounts in € thousand

	CONSOLIDATED		COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**	**1/1-31/12/2005**	**1/1-31/12/2004**
Revenue	40,791	48,689	34,437	40,911
Gross profit / (loss)	14,518	16,292	14,412	14,190
Earnings (loss) before interest, tax, depreciation and amortisation	195,485	186,766	139,771	182,834
Earnings / (loss) before interest and tax	194,914	186,209	139,306	182,386
Profit / (loss) before taxation	173,181	153,568	103,662	162,068
Minus : Taxation	(48,827)	(23,090)	(35,392)	(24,282)
Net Profit / (loss) for the year	124,353	130,478	68,271	137,786
Attributable to:				
Equity holders of the Company	120,789	129,862	68,271	137,786
Minority interest	3,565	616	-	-
	124,353	130,478	68,271	137,786
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	3.56	3.83	2.01	4.06
Proposed dividend (expressed in € per share)			0.40	0.36

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, Athens.	Parent
b. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P. Registered office : 340 Kifissias Avenue, Athens.	99.90%
c. DOMA S.A. Registered office : 3 Premetis Str. Maroussi.	98.98%
d. ALTECO S.A. Included for the first time in the consolidation with 99.01% percentage of ownership. Registered office : 47 Solonos Str. Athens.	99.01%
e. ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A. Registered office : 47 Solonos Str. Athens.	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 : 47 Solonos Str. Athens.	51.00%

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 2003, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2002, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 1999, DOMA S.A.' up to the fiscal year 1998, 'INTERNATIONAL PALACE HOTEL S.A.' up to the fiscal year 2002 and 'ALTECO S.A.' up to the fiscal year 1998.
3. On January 18th, 2005 the parent Company acquired 99.01% of 'ALTECO S.A.', a company that owns a plot of land in Maroussi, 49 Kifissias Avenue. No goodwill arose on the company acquisition.
4. The Group's property, plant and equipment and Investment properties, as well as inventories, include mortgage amounts to the value of Euro 53,651,907, 48,060,616 and 2,028,000 respectively, to secure borrowings (including sale and leaseback agreements), as at 31-12-2005
5. There are currently pending injunctions preventing construction for two of the company's projects and the full decisions are expected in a very short period from the Council of State. According to the company's Management and Legal advisors the expected final decisions, as well as any other cases contested in courts or under arbitration, are not likely to affect the Group's financial position or operations.
6. Number of employees at the end of the reporting period : Group 465 individuals, Parent company 324 individuals.
7. Related party transactions at 31-12-2005 :

	CONSOLIDATED	COMPANY
i) Purchases of goods and services		
Services of key management personnel	604	236
ii) Key management compensation	1,043	1,043
iii) Receivables from related parties		
Babis Vovos International Construction S.A. & Co G.P.	-	50,439
Ergoliptiki - Ktimatiki - Touristiki S.A	-	37
International Healthcare S.A.	11,936	11,739
Positive Ltd	499	490
International Construction S.A. - Boretos & Co G.P.	48	48
Ergoliptiki - Ktimatiki - Touristiki S.A & Co Ltd	11,024	5,036
	23,507	67,789
iv) Payables to related parties		
DOMA SA	-	8,266
International Palace Hotel S.A.	-	3,886
ALTECO SA	-	10,937
Key management personnel	7,375	6,036
	7,375	29,125

8. Turnover Analysis according to STAKOD-2003 :

	CONSOLIDATED		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Code 701.1 Development and sale of real estate :	4,298	12,794	4,298	11,344
Code 702.0 Leasing of private real estate :	35,011	31,318	28,648	24,987
Code 452.1 Construction of buildings and civil engineer technical works :	1,482	4,577	1,490	4,580

12.3. Consolidated and Company financial statements of "Babis Vovos International Construction S.A."

BALANCE SHEET

All amounts in € thousands		Consolidated		Company	
	Note	31 December 2005	31 December 2004	31 December 2005	31 December 2004
ASSETS					
Non-current assets					
Investment property	7	904,383	624,951	708,069	535,286
Property, plant and equipment	8	22,240	30,064	19,431	21,208
Intangible assets	9	18,973	18,866	16,545	16,437
Investments	10	18	18	32,301	21,728
Other non-current receivables		237	227	61	47
		945,851	674,126	776,407	594,707
Current assets					
Inventories	11	13,023	28,366	10,151	4,017
Trade receivables	12	53,563	69,842	91,947	108,586
Securities	13	–	381	–	381
Cash and cash equivalents	14	50,104	75,744	9,615	49,394
		116,691	174,334	111,713	162,378
Total assets		**1,062,542**	**848,460**	**888,121**	**757,084**
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital	15	46,832	46,832	46,832	46,832
Reserves	16	23,053	23,642	25,244	25,044
Retained earnings		394,872	279,166	318,737	256,344
		464,757	349,640	390,813	328,220
Minority interest		7,868	4,194	–	–
Total equity		**472,626**	**353,835**	**390,813**	**328,220**
LIABILITIES					
Non-current liabilities					
Borrowings, including finance leases	17	341,271	295,125	280,454	277,117
Deferred income tax liabilities	18	115,505	67,497	92,710	58,925
Retirement benefit obligations	19	1,549	1,381	1,404	1,245
Other non-current liabilities		3,976	4,681	3,092	3,403
		462,301	368,684	377,659	340,691
Current liabilities					
Trade and other payables	20	31,233	54,924	56,166	18,853
Current income tax liabilities		10,861	10,344	8,991	10,322
Borrowings, including finance leases	17	73,737	54,484	43,448	52,809
Dividend payable		2,634	6,189	2,634	6,189
Provisions for other liabilities & expenses	31	1,180	–	438	–
Derivative liabilities	21	7,970	–	7,970	–
		127,616	125,941	119,648	88,173
Total liabilities		**589,917**	**494,625**	**497,307**	**428,864**
Total equity and liabilities		**1,062,542**	**848,460**	**888,121**	**757,084**

The notes on pages 95 to page 137 are an integral part of these consolidated financial statements.

INCOME STATEMENT

All amounts in € thousands

	Note	Consolidated 1/1/2005-31/12/2005	Consolidated 1/1/2004-31/12/2004	Company 1/1/2005-31/12/2005	Company 1/1/2004-31/12/2004
Revenue	22	40,791	48,689	34,437	40,911
Cost of sales	23	(26,273)	(32,398)	(20,025)	(26,721)
Gross profit		**14,518**	**16,292**	**14,412**	**14,190**
Net gain from fair value adjustment on investment property		188,714	175,587	132,230	173,105
Selling and marketing costs	23	(161)	(745)	(159)	(745)
Administrative expenses	23	(9,151)	(4,473)	(7,110)	(3,844)
Other gains / (expenses) - net	24	995	(452)	(66)	(320)
Operating profit		**194,914**	**186,209**	**139,306**	**182,386**
Gain (Loss) from investment in subsidiary	10	–	–	(17,257)	10,953
Finance expenses (net)	25	(21,734)	(32,641)	(18,387)	(31,270)
Profit before income tax		**173,181**	**153,568**	**103,662**	**162,068**
Income tax expense	27	(48,827)	(23,090)	(35,392)	(24,282)
Profit for the year		**124,353**	**130,478**	**68,271**	**137,786**
Attributable to:					
Equity holders of the Company		120,789	129,862	68,271	137,786
Minority interest		3,565	616	–	–
		124,353	130,478	68,271	137,786
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**	**3.83**	**2.01**	**4.06**

STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity

All amounts in € thousands

	Note	Attributable to equity holders of the Group: Share capital	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 31 December 2004	15,16	46,832	23,642	279,166	4,194	**353,835**
Effect of adopting IAS 32 & 39				1,114	3	1,118
Balance at 1 January 2005		46,832	23,642	280,280	4,197	**354,952**
Profit for the period		–	–	120,789	3,565	124,353
Transfer to statutory reserve	16	–	578	(578)	–	–
Transfer to special - untaxed reserve	16	–	(1,168)	1,168	–	–
Dividend relating to 2004		–	–	(6,786)	–	(6,786)
Business combinations	34	–	–	–	106	106
Balance at 31 December 2005		46,832	23,053	394,872	7,868	**472,626**

Consolidated statement of changes in equity

All amounts in € thousands

	Note	Attributable to equity holders of the Group: Share capital	Other reserves	Retained earnings	Minority interest	Total equity
Balance at 1 January 2004	15,16	46,832	29,400	156,673	3,579	**236,484**
Profit for the period		–	–	129,862	616	130,478
Loss from disposal of treasury shares	16	–	(6,919)	–	–	(6,919)
Transfer to statutory reserve	16	–	807	(807)	–	–
Transfer to extraordinary reserve	16	–	74	(74)	–	–
Transfer to special - untaxed reserve	16	–	281	(281)	–	–
Dividend relating to 2003		–	–	(769)	–	(769)
Statutory dividend proposed for 2004		–	–	(5,440)	–	(5,440)
Balance at 31 December 2004		46,832	23,642	279,166	4,194	**353,835**

The notes on pages 95 to page 137 are an integral part of these consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

Company Statement of changes in equity

All amounts in € thousands

	Note	Share capital	Other reserves	Retained earnings	Total equity
		Attributable to equity holders of the Company			
Balance at 31 December 2004	15,16	46,832	25,044	256,344	**328,220**
Effect of adopting IAS 32 & 39		–	–	1,108	1,108
Balance at 1 January 2005		46,832	25,044	257,452	**329,328**
Profit for the period		–	–	68,271	68,271
Transfer to statutory reserve	16	–	199	(199)	–
Dividend relating to 2004		–	–	(6,786)	(6,786)
Balance at 31 December 2005		46,832	25,244	318,737	**390,813**

Company Statement of changes in equity

All amounts in € thousands

	Note	Share capital	Other reserves	Retained earnings	Total equity
		Attributable to equity holders of the Company			
Balance at 1 January 2004	15,16	46,832	30,802	125,917	**203,551**
Profit for the period		–	–	137,786	137,786
Loss from disposal of treasury shares	16	–	(6,919)	–	(6,919)
Transfer to statutory reserve	16	–	807	(807)	–
Transfer to extraordinary reserve	16	–	74	(74)	–
Transfer to special - untaxed reserve	16	–	281	(281)	–
Dividend relating to 2003		–	–	(769)	(769)
Statutory dividend proposed for 2004		–	–	(5,429)	(5,429)
Balance at 31 December 2004		46,832	25,044	256,344	**328,220**

CASH FLOW STATEMENT

All amounts in € thousands

	Note	Consolidated 1/1/2005-31/12/2005	Consolidated 1/1/2004-31/12/2004	Company 1/1/2005-31/12/2005	Company 1/1/2004-31/12/2004
Cash flows from operating activities					
Cash generated from operations	30	(440)	15,875	45,495	(18,646)
Interest paid		(21,289)	(32,930)	(17,671)	(31,458)
Income tax paid		(3,806)	(10,964)	(2,937)	(6,596)
Net cash generated from operating activities		**(25,536)**	**(28,020)**	**24,887**	**(56,700)**
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	34	(10,572)	–	(10,572)	–
Additions in investment property (acquisitions & development)	7	(25,029)	(21,359)	(18,912)	(20,961)
Additions in property, plant and equipment & intangible assets	8,9	(12,342)	(2,745)	(17,403)	(2,739)
Proceeds from sale of property, plant and equipment	7	–	4,250	–	4,250
Dividend inflow		–	–	–	10,953
Interest inflow	25	462	289	187	188
Decrease of other short - term assets		381	–	381	–
Net cash used in investing activities		**(47,100)**	**(19,565)**	**(46,319)**	**(8,310)**
Cash flows from financing activities					
Proceeds from disposal of treasury shares		–	38,241	–	38,241
Inflows from derivatives	21	7,200	–	7,200	–
Borrowings inflows		118,653	152,325	41,653	144,085
Borrowings payback		(68,517)	(84,686)	(56,858)	(78,736)
Dividends paid to the Company's shareholders		(10,341)	(8,891)	(10,341)	(8,891)
Dividends paid to minority interests		–	(11)	–	–
Net cash used in financing activities		**46,995**	**96,978**	**(18,346)**	**94,699**
Net (decrease) / increase in cash and bank overdrafts		**(25,640)**	**49,393**	**(39,778)**	**29,689**
Cash and cash equivalents at beginning of the year		75,744	26,351	49,394	19,705
Cash and cash equivalents at end of the year	14	**50,104**	**75,744**	**9,616**	**49,394**

The notes on pages 95 to Page 137 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 2005 under the International Financial Reporting Standards ("IFRS"). The subsidiaries are provided in Note 10.

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 Kifissias Avenue 340, N. Psichiko 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 2005 have been approved for issue by the Board of Directors on March 2nd , 2006

2. Summary of significant accounting policies

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").

All IFRS issued by the IASB, which apply to the preparation of these financial statements, and effective at the time of preparing the financial statements have been adopted by the EU through the endorsement procedure established by the European Commission ("EC"), except for IAS 39 "Financial Instruments: Recognition and Measurement". Following recommendations from the Accounting Regulatory Committee, the Commission adopted the Regulations 2086/2004 and 1864/2005 that require the application of IAS 39, minus certain provisions on portfolio hedging of core deposits, by all listed companies with effect from the 1st January 2005.

As the Group and the Company are not affected by the provisions regarding portfolio hedging that are not required by the EU-endorsed version of IAS 39, the accompanying financial statements comply with both IFRS as adopted by the EU and IFRS issued by the IASB.

These financial statements are subject to the provisions of IFRS 1 “First-time Adoption of International Financial Reporting Standards” as they are the first financial statements that comply with IFRS. The financial statements of the Company and the Group were prepared in accordance with the Greek Generally Accepted Accounting Principles (“GAAP”) until 31 December 2004. Greek GAAP differs in some areas from IFRS In preparing these financial statements, management has amended certain accounting, valuation and consolidation methods applied in the financial statements prepared under the Greek Generally Accepted Accounting Principles to comply with IFRS. The comparative figures in respect of 2004 were restated to reflect these adjustments.

In accordance with the transition provisions of IFRS 1 and of other relevant standards, the Company and the Group applied all the standards that were issued and effective as at 31 December 2005 to the financial information from 1st of January 2004, with the exception of IAS 32/39. These standards were applied from 1st of January 2005 under the exemption provided by IFRS 1, and as a result they were not applied in the 2004 figures.

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Group’s equity and its net income are presented in Note 5.2.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property 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.

2.2. New standards, interpretations and amendments to published standards

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 January 2006 or later periods but which the Company and the Group have not early adopted. Management’s estimation of the impact of these new standards, interpretations and amendments is as follows:

- ***IAS 19 (Amendment), Employee Benefits (effective from 1 January 2006).***

This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements.

The Group and the Company will apply this amendment from annual periods beginning 1 January 2006.

- ***IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from 1 January 2006)***

The amendment allows the foreign currency risk of a highly probable forecast intra-group transaction to qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect consolidated profit or loss. This amendment is not relevant to the Group's operations, as the Group does not have any intra-group transactions that would qualify as a hedged items.

- ***IAS 39 (Amendment), The Fair Value Option (effective from 1 January 2006)***

This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. The Group and the Company believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group and the Company should be able to comply with the amended criteria for the designation of financial instruments at fair value through profit or loss. The Group and the Company will apply this amendment from 1 January 2006.

- ***IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006).***

This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Group and the Company.

- ***IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources (effective from 1 January 2006)***

These amendments are not relevant to the Group and the Company.

- ***IFRS 6, Exploration for and Evaluation of Mineral Resources (effective from 1 January 2006)***

IFRS 6 is not relevant to the Group and the Company.

- ***IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)***

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. IFRS 7 replaces IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions", and disclosure requirements in IAS 32 "Financial Instruments: Disclosure and Presentation". It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group and the Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

- ***IFRIC 4, Determining whether an Arrangement contains a Lease (effective from 1 January 2006)***

IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Management believes that IFRIC 4 will not impact the current accounting of applicable arrangements.

- ***IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006).***

IFRIC 5 is not relevant to the Group and the Company.

- ***IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective from 1 December 2005).***

IFRIC 6 is not relevant to the Group and the Company.

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.

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.

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

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

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 euros, which is the Company's functional and presentation currency.

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. 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.

All borrowing costs are expensed.

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. The Council of State decision on the ministerial decision's validity and, thereby, Law 3004/2002's constitutionality is expected to be delivered no earlier than the end of 2006.

In case it is approved and applied (given that no additional controversies will arise), management believes that Law 3044/2002 will enable the Group (provided that it 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 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).

2.10. Investments

From 1 January 2004 to 31 December 2004

Current assets include treasury shares and other short-term securities, which are valued at the lower of cost and market value (average during the month prior to the financial period end). All treasury shares were disposed of during 2004.

From 1 January 2005

The investments of the Company and the Group are classified in the following categories: at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. 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.

(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, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(c) Held-to-maturity investments.
It includes non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Group has the positive intention and ability to hold to maturity. During the year, the Group did not have any investments in this category.

(d) 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.

Regular purchases and sales of investments 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. Investments 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.

Available for-sale financial assets are subsequently carried at fair value and relevant gains or losses are recognised in equity reserve until those assets are finally disposed or impaired. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are transferred in the income statement. Any impairment losses recognised in income statements are not subsequently reversed through the income statement.

Realised and unrealised 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.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

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.

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.

2.12. Trade receivables

From 1 January 2004 to 31 December 2004

Trade receivables are measured at nominal value 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 receivables. 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.

From 1 January 2005 to 31 December 2005

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. 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.

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.

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.

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. Derivative financial instruments

Derivative financial instruments include interest rate swaps.

They are initially recognised at fair value and are subsequently re-measured at their fair value. The fair value is estimated using current prices and discounted cash flows analysis.

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.

2.17. Deferred income tax

Deferred income tax is estimated using the expected enacted tax rate that will be applicable when the tax difference reverse and is provided for 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.

2.18. 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.

(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.

2.19. 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.

2.20. Revenue recognition

Revenue includes mainly rental income, income from sale of real estate property and income from development and construction work.

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.

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.

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.

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

2.21. Leases

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.

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 7 below).

2.22. 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.

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, interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

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

The Group is exposed to property price and property rentals risk.

(b) Credit risk

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.

(c) Liquidity risk

Liquidity risk is kept low levels by maintaining sufficient cash and marketable securities and committed credit lines available from financial institutions.

(d) Cash flow and fair value interest rate risk

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.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such changes. They may reduce or create losses in the event that unexpected movements arise.

3.2. 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

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 nominal value less impairment provision of trade receivables 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:

- 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;
- 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
- 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.

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. Transition to IFRS

5.1. Basis of transition to IFRS

5.1.1. Application of IFRS 1

The Group's financial statements for the year ended 31 December 2005 are the first annual financial statements that comply with IFRS. The Group has applied IFRS 1 in preparing this consolidated financial information.

BVIC transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date is 1 January 2005.

In preparing this consolidated financial information in accordance with IFRS 1, the Group has applied certain of the optional exemptions and the mandatory exceptions from full retrospective application of IFRS.

5.1.2. Exemptions from full retrospective application elected by the Group

BVIC has elected to apply the following optional exemptions from full retrospective application.

(a) Business combinations exemption

BVIC has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Fair value as deemed cost exemption

BVIC has elected to measure the property at 340 Kifissias Avenue, used as offices by the Group, at fair value as at 1 January 2004.

(c) Employee benefits exemption

BVIC has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

(d) Exemption from restatement of comparatives for IAS 32 and IAS 39

The Group elected to apply this exemption. It applies Greek GAAP rules to derivatives, financial assets and financial liabilities for 2004. The adjustments required for differences between Greek GAAP and IAS 32 and IAS 39 were determined and recognised at 1 January 2005.

(e) Designation of financial assets and financial liabilities exemption

The Group elected to apply the comparatives exemption for IAS 32 and IAS 39 (see (d) above). The Group has not reclassified securities as available-for-sale investments and as financial assets at fair value through profit and loss. The adjustments relating to IAS 32 and IAS 39 took place as appropriate at the opening balance sheet date of 1 January 2005, the IAS 32/39 transition date;

(f) Decommissioning liabilities included in the cost of property, plant and equipment exemption

The Group does not have any decommissioning liabilities (other than for a certain property that has been accounted for in accordance with IAS 17 and the commitment for restoration has been included as part of the minimum lease payments for the finance lease of the land); this exemption is not applicable.

(g) Fair value measurement of financial assets or liabilities at initial recognition

The Group elected to apply the comparatives exemption for IAS 32 and IAS 39 (see (e) above). The adjustments relating to IAS 32 and IAS 39 took place as appropriate at the opening balance sheet date of 1 January 2005, the IAS 32/39 transition date; this exemption is not applicable.

5.1.3. Exceptions from full retrospective application followed by the Group

BVIC has applied the following mandatory exceptions from retrospective application.

(a) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS. The application of the exemption from restating comparatives for IAS 32 and IAS 39 means that the Group will recognise from 1 January 2005 any financial assets and financial liabilities derecognised since 1 January 2004 that do not meet the IAS 39 derecognition criteria. Management did not choose to apply the IAS 39 derecognition criteria to an earlier date.

(b) Estimates exception

Estimates under IFRS at 1 January 2004 should be consistent with estimates made for the same date under previous GAAP, unless there is evidence that those estimates were in error.

5.2. Reconciliations between IFRS and Greek GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS. The first reconciliation provides an overview of the impact on equity of the transition at 1 January 2004 and 31 December 2004 (Note 5.2.1).

The following five reconciliations provide details of the impact of the transition on:

- balance sheet at 1 January 2004 (Note 5.2.2)
- balance sheet at 31 December 2004 (Note 5.2.3)
- income statement for the year ended at 31 December 2004 (Note 5.2.4)
- net income for the year ended at 31 December 2004 (Note 5.2.5)
- balance sheet at 1 January 2005 after the adoption of IAS 32/39 (Note 5.2.6)

5.1.1. Summary of Equity

All amounts in € thousands	**Consolidated**		**Company**	
	1 January 2004	**31 December 2004**	**1 January 2004**	**31 December 2004**
Equity under Greek GAAP	**132,226**	**137,590**	**138,220**	**143,850**
Gain from revaluation of investment property to fair value	303,860	479,319	226,132	399,215
Retrospective application of IAS 17 for finance leases	(114,779)	(168,231)	(112,212)	(150,524)
Reversal of profit from sale of property under preliminary agreements	(31,615)	(29,482)	(10,453)	(8,774)
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	(1,542)	(560)	(1,538)	(559)
Provision for employees retirement benefit based on actuarial study	(1,240)	(1,381)	(1,120)	(1,245)
Provision for doubtful debt	(2,711)	(2,711)	(1,604)	(1,604)
Reversal of proposed dividend until approval by AGM	769	6,786	769	6,786
Recognition of deferred tax	(48,484)	(67,497)	(34,643)	(58,925)
Total adjustments	104,258	216,244	65,332	184,370
Equity under IFRS	**236,484**	**353,835**	**203,551**	**328,220**

5.2.2. Reconciliation of Balance Sheet at 1 January 2004

All amounts in € thousands	Consolidated			Company		
	Greek GAAP	Effect of transition to IFRS	IFRS	Greek GAAP	Effect of transition to IFRS	IFRS
ASSETS						
Non-current assets						
Investment property	–	355,731	355,731	–	270,051	270,051
Property, plant and equipment	13,018	87,768	100,786	11,401	79,145	90,546
Intangible assets	1,694	17,048	18,742	1,690	14,624	16,314
Investments	18	–	18	21,728	–	21,728
Other non-current receivables	746	(247)	499	161	–	161
	15,476	460,301	475,777	34,980	363,820	398,800
Current assets						
Inventories	93,542	(65,650)	27,891	81,803	(75,248)	6,555
Trade and other receivables	155,933	(88,418)	67,516	144,956	(51,091)	93,865
Securities	45,541	–	45,541	45,541	–	45,541
Cash and cash equivalents	26,351	–	26,351	19,705	–	19,705
	321,367	(154,068)	167,299	292,005	(126,339)	165,666
Total assets	**336,843**	**306,233**	**643,076**	**326,984**	**237,481**	**564,466**
EQUITY						
Capital and reserves attributable the Company's equity holders						
Share capital	46,832	–	46,832	46,832	–	46,832
Reserves	73,793	(44,393)	29,400	75,195	(44,393)	30,802
Retained earnings	9,458	147,215	156,673	16,192	109,724	125,917
	130,083	102,823	232,906	138,220	65,332	203,551
Minority interest	2,143	1,436	3,579	–	–	–
Total equity	**132,226**	**104,258**	**236,484**	**138,220**	**65,332**	**203,551**
LIABILITIES						
Non-current liabilities						
Borrowings, including finance leases	21,710	206,150	227,860	21,710	194,123	215,833
Deferred income tax liabilities	–	48,484	48,484	–	34,643	34,643
Retirement benefit obligations	–	1,240	1,240	–	1,120	1,120
Other non-current liabilities	4,765	–	4,765	3,096	–	3,096
	26,475	255,874	282,349	24,806	229,885	254,691
Current liabilities						
Trade and other payables	97,149	(53,131)	44,018	88,646	(56,967)	31,679
Current income tax liabilities	17,231	–	17,231	16,918	–	16,918
Borrowings, including finance leases	54,110	–	54,110	48,744	–	48,744
Dividend payable	9,651	(769)	8,883	9,651	(769)	8,883
	178,142	(53,899)	124,242	163,959	(57,736)	106,223
Total liabilities	**204,617**	**201,975**	**406,592**	**188,765**	**172,150**	**360,915**
Total equity and liabilities	**336,843**	**306,233**	**643,076**	**326,984**	**237,481**	**564,466**

The fair value of investment property and of owner-occupied property for which the fair value as "deemed cost" exemption was used, was based on a valuation report prepared by Ernst & Young Finance S.A (E&Y) dated 31 May 2004.

5.2.3. Reconcilliation of Balance Sheet at 31 December 2004

All amounts in € thousands	Consolidated			Company		
	Greek GAAP	Effect of transition to IFRS	IFRS	Greek GAAP	Effect of transition to IFRS	IFRS
ASSETS						
Non-current assets						
Investment property	–	624,951	624,951	–	535,286	535,286
Property, plant and equipment	9,461	20,603	30,064	7,203	14,005	21,208
Intangible assets	711	18,155	18,866	709	15,728	16,437
Investments	18	–	18	21,728	–	21,728
Other non-current receivables	473	(247)	227	47	–	47
	10,663	663,463	674,126	29,687	565,020	594,707
Current assets						
Inventories	102,298	(73,931)	28,366	91,445	(87,428)	4,017
Trade and other receivables	107,028	(37,186)	69,842	93,648	14,938	108,586
Securities	381	–	381	381	–	381
Cash and cash equivalents	75,744	–	75,744	49,394	–	49,394
	285,452	(111,118)	174,334	234,867	(72,490)	162,378
Total assets	**296,115**	**552,345**	**848,460**	**264,554**	**492,530**	**757,084**
EQUITY						
Capital and reserves attributable the Company's equity holders						
Share capital	46,832	–	46,832	46,832	–	46,832
Reserves	42,350	(18.708)	23,642	43,752	(18,708)	25,044
Retained earnings	46,418	232.748	279,166	53,266	203,078	256,344
	135,601	214.040	349,640	143,850	184,370	328,220
Minority interest	1,990	2.204	4,194	–	–	–
Total equity	**137,590**	**216.244**	**353,835**	**143,850**	**184,370**	**328,220**
LIABILITIES						
Non-current liabilities						
Borrowings, including finance leases	10,785	284,340	295,125	10,785	266,332	277,117
Deferred income tax liabilities	–	67,497	67,497	–	58,925	58,925
Retirement benefit obligations	–	1,381	1,381	–	1,245	1,245
Other non-current liabilities	4,681	–	4,681	3,403	–	3,403
	15,467	353,217	368,684	14,189	326,502	340,691
Current liabilities						
Trade and other payables	75,636	(20,713)	54,924	40,245	(21,392)	18,853
Current income tax liabilities	10,344	–	10,344	10,322	–	10,322
Borrowings, including finance leases	44,102	10,382	54,484	42,974	9,835	52,809
Dividend payable	12,975	(6,786)	6,189	12,975	(6,786)	6,189
	143,057	(17,117)	125,941	106,516	(18,342)	88,173
Total liabilities	**158,524**	**336,101**	**494,625**	**120,704**	**308,160**	**428,864**
Total equity and liabilities	**296,115**	**552,345**	**848,460**	**264,554**	**492,530**	**757,084**

The fair value of investment property and of owner-occupied property for which the fair value as "deemed cost" exemption was used, was based on a valuation report prepared by Ernst & Young Finance S.A (E&Y) dated 31 December 2004.

5.2.4. Reconciliation of Income Statement for year ended 31 December 2004

All amounts in € thousands	Consolidated			Company		
	Greek GAAP	Effect of transition to IFRS	IFRS	Greek GAAP	Effect of transition to IFRS	IFRS
Revenue	171,550	(122,860)	48,689	146,253	(105,342)	40,911
Cost of sales	(126,462)	94,065	(32,398)	(117,598)	90,877	(26,721)
Gross profit	**45,088**	**(28,796)**	**16,292**	**28,655**	**(14,465)**	**14,190**
Net gain from fair value adjustment on investment property	–	175,587	175,587	–	173,105	173,105
Selling and marketing costs	(1,202)	456	(745)	(1,202)	456	(745)
Administrative expenses	(5,373)	900	(4,473)	(4,830)	986	(3,844)
Other gains / (expenses) - net	818	(1,270)	(452)	635	(956)	(320)
Operating profit	**39,331**	**146,878**	**186,209**	**23,259**	**159,126**	**182,386**
Dividends received	–	–	–	10,953	–	10,953
Finance expense (net)	(9,430)	(23,211)	(32,641)	(8,469)	(22,801)	(31,270)
Non operating / extraordinary expenses (revenues)	(1,090)	1,090	–	(822)	822	–
Profit before income tax	**28,811**	**124,757**	**153,568**	**24,921**	**137,147**	**162,068**
Income tax expense	(4,385)	(18,705)	(23,090)	(182)	(24,101)	(24,282)
Profit for the year	**24,426**	**106,052**	**130,478**	**24,739**	**113,047**	**137,786**

5.2.5. Reconciliation of net income for year ended 31 December 2004

All amounts in € thousands	Consolidated	Company
	1/1/2004-31/12/2004	1/1/2004-31/12/2004
Net profit under Greek GAAP	**24,426**	**24,739**
Gain from revaluation of property to fair value	175,543	173,109
Retrospective application of IAS 17 for finance leases	(53,452)	(38,312)
Reversal of profit from sale of property under preliminary agreements	2,133	1,679
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	982	979
Provision for employees retirement benefit based on actuarial study	(140)	(126)
Recognition of deferred tax	(19,013)	(24,282)
Total adjustments	106,052	113,047
Net profit under IFRS	**130,478**	**137,786**

5.2.6. Reconciliation of balance sheet at 1 January 2005 after the Adoption of IAS 32/39

All amounts in € thousands	Consolidated			Company		
	IFRS 31/12/2004	Adjustments for IAS 32/39	IFRS 1/1/2005	IFRS 31/12/2004	Adjustments for IAS 32/39	IFRS 1/1/2005
ASSETS						
Non-current assets						
Investment property	624,951	–	624,951	535,286	–	535,286
Property, plant and equipment	30,064	–	30,064	21,208	–	21,208
Intangible assets	18,866	–	18,866	16,437	–	16,437
Investments	18	–	18	21,728	–	21,728
Other non-current receivables	227	–	227	47	–	47
	674,126	–	674,126	594,707	–	594,707
Current assets						
Inventories	28,366	–	28,366	4,017	–	4,017
Trade and other receivables	69,842	–	69,842	108,586	–	108,586
Securities	381	–	381	381	–	381
Cash and cash equivalents	75,744	–	75,744	49,394	–	49,394
	174,334	–	174,334	162,378	–	162,378
Total assets	**848,460**	**–**	**848,460**	**757,084**	**–**	**757,084**
EQUITY						
Capital and reserves attributable the Company's equity holders						
Share capital	46,832	–	46,832	46,832	–	46,832
Reserves	23,642	–	23,642	25,044	–	25,044
Retained earnings	279,166	1,114	280,280	256,344	1,108	257,452
	349,640	1,114	350,755	328,220	1,108	329,328
Minority interest	4,194	3	4,197	–	–	–
Total equity	**353,835**	**1,118**	**354,952**	**328,220**	**1,108**	**329,328**
LIABILITIES						
Non-current liabilities						
Borrowings, including finance leases	295,125	–	295,125	277,117	–	277,117
Deferred income tax liabilities	67,497	–	67,497	58,925	–	58,925
Retirement benefit obligations	1,381	–	1,381	1,245	–	1,245
Other non-current liabilities	4,681	(1,118)	3,564	3,403	(1,108)	2,295
	368,684	(1,118)	367,567	340,691	(1,108)	339,583
Current liabilities						
Trade and other payables	54,924	–	54,924	18,853	–	18,853
Current income tax liabilities	10,344	–	10,344	10,322	–	10,322
Borrowings, including finance leases	54,484	–	54,484	52,809	–	52,809
Dividend payable	6,189	–	6,189	6,189	–	6,189
	125,941	–	125,941	88,173	–	88,173
Total liabilities	**494,625**	**(1,118)**	**493,507**	**428,864**	**(1,108)**	**427,756**
Total equity and liabilities	**848,460**	**–**	**848,460**	**757,084**	**–**	**757,084**

6. Segment Reporting

6.1. Primary reporting format – business segments

At 31st December 2005, 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 2005 are as follows:

All amounts in € thousands	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	4,298	1,482	35,011	–	40,791
Operating profit	(194)	91	202,356	(7,339)	194,914
Finance expense (net)	–	–	–	–	(21,734)
Profit before income tax	**(194)**	**91**	**202,356**	**(7,339)**	**173,181**
Income tax expense					(48,827)
Profit for the year	**(194)**	**91**	**202,356**	**(7,339)**	**124,353**

The segment results for the year ended 31 December 2004 are as follows:

All amounts in € thousands	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	12,857	4,577	31,255	–	48,689
Operating profit	20,323	387	171,147	(5,649)	186,209
Finance expense (net)	–	–	–	–	(32,641)
Profit before income tax	**(20,323)**	**387**	**171,147**	**(5,649)**	**153,568**
Income tax expense					(23,090)
Profit for the year	**20,323**	**387**	**171,147**	**(5,649)**	**130,478**

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

All amounts in € thousands					**YEAR ENDED 31 DECEMBER 2005**
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	–	–	19,649	–	19,649
Net gain from fair value adjustment on investment property	–	–	188,714	–	188,714
Impairment of receivables	(1,121)	–	–	–	(1,121)
All amounts in € thousands					**YEAR ENDED 31 DECEMBER 2004**
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	–	–	17,955	–	17,955
Net gain from fair value adjustment on investment property	–	–	175,587	–	175,587

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The segment assets and liabilities at 31 December 2005 are as follows:

All amounts in € thousands					**31 DECEMBER 2005**
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Total Assets	184,468	1,945	813,656	62,473	1,062,542
Total Liabilities	101,748	6	321,140	167,022	589,917

The segment assets and liabilities at 31 December 2004 are as follows:

All amounts in € thousands					**31 DECEMBER 2004**
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Total Assets	108,398	1,989	637,158	100,915	848,460
Total Liabilities	124,844	153	278,744	90,884	494,625

Segment assets consist primarily of investment property, property plant and equipment, intangible assets, inventories, trade and other receivables as well as cash and cash equivalents.

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

6.2. Secondary reporting format – geographical segments

The Group realises the total of its sales in Greece.

7. Investment property

All amounts in € thousands	**Consolidated**	**Company**
At beginning of period (01.01.2004)	355,731	270,051
Additions in investment property	21,359	20,961
Transfer from property, plant and equipment	75,147	74,043
Transfer to property, plant and equipment	(4,210)	(4,210)
Transfer from inventory	1,336	1,336
Net gain from fair value adjustments on investment property	175,587	173,105
At end of period (31.12.2004)	**624,951**	**535,286**
Additions in investment property	35,119	29,002
Transfer from property, plant and equipment	31,198	9,037
Transfer from inventory	24,401	2,513
Net gain from fair value adjustments on investment property	188,714	132,230
At end of period (31.12.2005)	**904,383**	**708,069**

The fair market value of Investment property was re-measured and adjusted at 31 December 2005 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.

Additions to investment property

During the year ended at 31 December 2005, the Group acquired five investment properties, three of which are currently under construction.

Part of the building (54% of horizontal ownerships) which was developed in a property acquired by the Group (through the acquisition of the owner company) located in Maroussi (49 Kifissias Av.) was fully completed. For this part, an operating lease agreement was signed with Media Markt. During the 4th quarter of 2005 an additional part of the building (ground floor retail stores and parking station) was completed. For this new part, a sale and leaseback agreement of € 21 million was signed by the Group.

The completion of the above parts had a positive contribution of approximately € 93 million in the Group's result before deferred tax during the year 2005 based on the valuation performed by the independent appraiser.

Investment property currently under development

Acquisition of investment property during 2005
During 2005, the Group acquired three land plots (investment properties) that are currently under construction.

Delta Falirou
BVIC and Carrefour jointly agreed not to proceed with the preliminary sale agreement they had entered into. During 2005, the Group refunded the prepayment of € 28 million that was received as part of the preliminary agreement, with no additional penalties or charges and in June 2005 a new operating lease agreement for the same property was signed by the Group. The Delta Falirou property was transferred from inventory to investment property and re-valued to fair value, which resulted in a gain of € 17,5 million at the Group' s results before deferred tax. During the fourth quarter of 2005, the Group signed a sale and leaseback agreement covering 94% of the lettable area and 100% of the parking spaces of the property, for € 59 million.

Sounio
The Council of State's verdict, regarding the building permit for the development of 105 vacation homes on a land plot in Pountazeza Sounio, was severely delayed. Therefore, the Group investigated alternative development plans for the land plot during 2005. Specifically, BVIC completed a building design for the development of three distinct hotel units, with a total above ground area of 12,000 sqm. BVIC Group has already received all the necessary permits from the Greek National Tourist Organisation (GNTO) and is thus ready to apply for a new building permit, which is expected within the first quarter of 2006. The development of the land plot in Sounio, 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.

Certain other preliminary contracts regarding other properties (mainly parking spaces) were cancelled and these properties were transferred from inventory to investment property and re-valued to fair value by the independent appraiser, which resulted in a gain of € 18.6 million at the Group' s results before deferred tax.

Investment property also includes the right to use for 48 years a land plot located at

Ethnikis Antistaseos street in Chalandri. The Group has entered into a BOT style agreement with the Russian Federation, under which the Group constructed two building complexes totalling a plot surface area of 27,372sqm (Complex I (10,000sqm) and Complex II (17,372sqm)). The Russian Federation now occupies Complex I, and the Group has been granted a lease in respect of Complex II for 48 years. This structure was designed to meet the Russian Federation's particular specifications. The Group has entered into a securitisation type transaction for 18 years in respect of its interest in Complex II under which it has sold its right to receive revenue for 18 years to a leasing company. The Group has subleased the whole of Complex II and the car park to Vodafone for a term of 18 years. During the BOT agreement, the group has the obligation of keeping the Building complex fully operational. This liability was recognised in the financial statements and is included in the finance lease liabilities.
In the income statement, direct operating expenses include € 110 thousand relating to investment property that was vacant.
Investment property includes buildings valued at € 768,868 thousand (including the Build Operate Transfer above), held under sale and leaseback agreements, of which the remaining obligations are € 295,268 thousand.

8. Property, plant and equipment

Consolidated *All amounts in € thousands*

	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Year ended 31 December 2005						
Opening net book amount		9,941	693	91	19,339	30,064
Purchases through business combinations	34	–	–	–	21,281	21,281
Purchases		500	68	112	74	754
Expenditure on property under construction		–	–	–	11,445	11,445
Transfer to investment property	7	–	–	–	(31,198)	(31,198)
Transfer to inventory		–	–	–	(9,571)	(9,571)
Depreciation charge		(234)	(236)	(65)	–	(534)
Closing net book amount		10,207	525	138	11,369	22,240
Year ended 31 December 2005						
Cost		10,990	2,283	475	11,369	25,118
Accumulated depreciation		(783)	(1,758)	(337)	–	(2,878)
Net book amount		10,207	525	138	11,369	22,240

Consolidated *All amounts in € thousands*

	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Year ended 31 December 2004						
Opening net book amount		9,896	929	103	89,858	100,786
Purchases		252	31	41	–	324
Expenditure on property under construction		–	–	–	2,393	2,393
Disposal		–	–	–	(1,974)	(1,974)
Transfer to investment property	7	–	–	–	(75,147)	(75,147)
Transfer from investment property	7	–	–	–	4,210	4,210
Depreciation charge		(207)	(267)	(53)	–	(528)
Closing net book amount		9,941	693	91	19,339	30,064
Year ended 31 December 2004						
Cost		10,490	2,215	363	19,339	32,408
Accumulated depreciation		(550)	(1,522)	(272)	–	(2,344)
Net book amount		9,941	693	91	19,339	30,064
1 January 2004						
Cost		10,238	2,184	322	89,858	102,602
Accumulated depreciation		(342)	(1,255)	(219)	–	(1,816)
Net book amount		9,896	929	103	89,858	100,786

Company — *All amounts in € thousands*

	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Year ended 31 December 2005						
Opening net book amount		1,093	686	91	19,339	21,208
Purchases		500	23	112	74	708
Expenditure on property under construction		–	–	–	16,551	16,551
Transfer to investment property	7	–	–	–	(9,037)	(9,037)
Transfer to inventory		–	–	–	(9,571)	(9,571)
Depreciation charge		(137)	(227)	(64)	–	(428)
Closing net book amount		1,456	481	138	17,356	19,431
Year ended 31 December 2005						
Cost		2,046	1,891	445	17,356	21,738
Accumulated depreciation		(590)	(1,410)	(307)	–	(2,307)
Net book amount		1,456	481	138	17,356	19,431

Company — *All amounts in € thousands*

	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Year ended 31 December 2004						
Opening net book amount		952	915	103	88,576	90,546
Purchases		252	26	41	–	319
Expenditure on property under construction		–	–	–	2,393	2,393
Disposal		–	–	–	(1,797)	(1,797)
Transfer to investment property	7	–	–	–	(74,043)	(74,043)
Transfer from investment property		–	–	–	4,210	4,210
Depreciation charge		(111)	(256)	(53)	–	(420)
Closing net book amount		1,093	686	91	19,339	21,208
Year ended 31 December 2004						
Cost		1,546	1,868	333	19,339	23,087
Accumulated depreciation		(453)	(1,183)	(243)	–	(1,879)
Net book amount		1,093	686	91	19,339	21,208
1 January 2004						
Cost		1,294	1,842	293	88,576	92,005
Accumulated depreciation		(342)	(927)	(190)	–	(1,459)
Net book amount		952	915	103	88,576	90,546

There were no impairment charges in 2005.

The consolidated financial results include an own-occupied property, for which the fair value was considered as "deemed cost", based on a valuation report by an independent valuer, at 31 May 2004. The fair value resulted form the valuation was € 8,932,000. The un-depreciated value of the aforementioned property plant equipment at 31 December 2005 was € 8,739,360.

9. Intangible assets

All amounts in € thousands	Consolidated			Company		
	Software licences	Purchased rights to transfer building coefficients	Total	Software licences	Purchased rights to transfer building coefficients	Total
Year ended 31 December 2005						
Opening net book amount	55	18,810	18,866	55	16,382	16,437
Additions	83	61	144	83	61	144
Amortisation charge	(37)	–	(37)	(37)	–	(37)
Closing net book amount	102	18,871	18,973	102	16,443	16,545
Year ended 31 December 2005						
Cost	230	18,871	19,101	230	16,443	16,673
Accumulated amortisation	(129)	–	(129)	(129)	–	(129)
Net book amount	102	18,871	18,973	102	16,443	16,545

All amounts in € thousands	Consolidated			Company		
	Software licences	Purchased rights to transfer building coefficients	Total	Software licences	Purchased rights to transfer building coefficients	Total
Year ended 31 December 2004						
Opening net book amount	57	18,685	18,742	57	16,257	16,314
Additions	28	125	153	28	125	153
Amortisation charge	(29)	–	(29)	(29)	–	(29)
Closing net book amount	55	18,810	18,866	55	16,382	16,437
Year ended 31 December 2004						
Cost	147	18,810	18,957	147	16,382	16,529
Accumulated amortisation	(92)	–	(92)	(92)	–	(92)
Net book amount	55	18,810	18,866	55	16,382	16,437
1 January 2004						
Cost	119	18,685	18,804	119	16,257	16,376
Accumulated amortisation	(62)	–	(62)	(62)	–	(62)
Net book amount	57	18,685	18,742	57	16,257	16,314

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 2005 amounts to € 56,359,000 which has not been recognized in the financial statements.

10. Investments in Subsidiaries and other investments

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Participation to subsidiaries	–	–	32,300	21,727
Other participations	18	18	1	1
	18	18	32,301	21,728

In the company income statement, a loss amounting to € 17,257 thousand and a gain amounting to € 10,953 thousand for the years 2005 and 2004 respectively were included. Both amounts concern the result of the subsidiary “Babis Vovos International Construction S.A. & Co. G.P.”.

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

They are all domiciled in Greece.

Analytically:

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
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	–	–
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
Alteco S.A. (Note.34)	–	–	10,572	–
Other	1	1	1	1
	18	18	32,301	21,728

11. Inventories

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Property Inventory (land plots - buildings	3,108	8,380	647	2,519
Construction in progress	9,069	18,885	9,068	397
Raw Material inventory	1,025	537	615	537
Construction of buildings & civil engineer technical works in progress	732	565	732	565
Provision for impairment of construction in progress(1)	(910)	–	(910)	–
At end of period	13,023	28,366	10,151	4,017

(1) The provision for impairment of construction in progress is included in Net gain from fair value adjustment on investment property.

12. Trade and other receivables

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Trade receivables	5,890	3,483	3,453	1,883
Prepaid expenses	8,201	5,251	5,812	4,895
Receivables from related parties (Note 33)	23,507	32,616	67,789	76,717
Downpayments for stocks	7,643	9,425	7,167	8,665
Other debtors	12,154	21,779	10,451	18,029
Less: provision for impairment of receivables	(3,832)	(2,711)	(2,724)	(1,604)
Trade receivables – net	53,563	69,842	91,947	108,586

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.

13. Short-term securities

All amounts in € thousands	Consolidated	Company
	31 December 2005	31 December 2005
Balance at 1 January 2005	381	381
Disposals	(381)	(381)
Balance at 31 December 2005	–	–

14. Cash and cash equivalents

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Cash on hand	83	71	62	29
Site and time deposits	32,906	73,669	9,553	47,565
Committed deposit accounts	17,115	2,005	–	1,800
Cash and cash equivalents	50,104	75,744	9,615	49,394

Committed deposit accounts are deposit accounts held as cash collateral for securing bank borrowings.

15 Share capital

Consolidated					
	Number of shares (thousands)	Nominal (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2004 / 2005	33,930	0.30	10,179	36,653	46,832
Company					
	Number of shares (thousands)	Nominal (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2004 / 2005	33,930	0.30	10,179	36,653	46,832

16. Reserves

Consolidated — *All amounts in € thousands*

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2004	5,997	7,548	15,855	29,400
Transfer from retained earnings	807	74	281	1,161
Loss from disposal of treasury shares	(6,919)	–	–	(6,919)
Balance at 31 December 2004	(115)	7,622	16,136	23,642
Transfer from retained earnings	578	–	(1,168)	(589)
Balance at 31 December 2005	463	7,622	14,968	23,053

Company — *All amounts in € thousands*

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2004	5,987	5,279	19,536	30,802
Transfer from retained earnings	807	74	281	1,161
Loss from disposal of treasury shares	(6,919)	–	–	(6,919)
Balance at 31 December 2004	(125)	5,353	19,817	25,044
Transfer from retained earnings	199	–	–	199
Balance at 31 December 2005	74	5,353	19,817	25,244

Statutory reserves are taxed but can not be distributed according to Law 2190/1920.

Extraordinary reserves are taxed, and may be distributed by decision of the General Meeting of Shareholders.

Special-untaxed reserves include:

All amounts in € thousands	**Consolidated**	**Company**
	31 December 2005	**31 December 2005**
Construction companies' untaxed reserve	13,874	19,243
Untaxed reserve for investments	270	270
Untaxed reserve for tax free income	220	204
Untaxed reserve under special tax law provisions[(1)]	110	99
Untaxed reserve for participation & securities disposal profit	494	–
Total	14,968	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 amounts are subject to taxation before distribution by decision of the General Meeting of Shareholders.

17. Borrowings

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Non - current				
Bank Borrowings	30,935	10,785	30,935	10,785
Finance lease liabilities	310,337	284,340	249,519	266,332
	341,271	295,125	280,454	277,117
Current				
Bank Borrowings	57,856	44,102	28,844	42,974
Finance lease liabilities	15,882	10,382	14,605	9,835
	73,737	54,484	43,448	52,809
Total borrowings	**415,008**	**349,609**	**323,902**	**329,927**

All the Group's borrowings are in Euro and at floating rates of interest.

The average effective interest rate at 31 December 2005 was 6.20% for bank borrowings and 5.24% for finance lease liabilities. The average effective interest rate at 31 December 2005 for total borrowings (including finance lease liabilities) was 5.45%. The fair value of these floating rate borrowings at 31 December 2005 approximated their carrying values.

For securing liabilities, guarantees over the investment property, the property plant equipment and the inventories amounting to € 103,740,523 for the Group and € 58,497,500 for the company respectively have been given.

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

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Between 1 and 2 years	17,916	4,150	17,916	4,150
Between 2 and 5 years	13,019	6,636	13,019	6,636
Over 5 years	–	–	–	–
	30,935	10.785	30,935	10,785

The maturity of finance lease liabilities is as follows:

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Finance lease liabilities – minimum lease payments:				
-no later than 1 year	28,443	18,995	25,733	17,909
-later than 1 year and no later than 5 years	114,271	114,815	102,931	110,471
-later than 5 years	308,593	254,458	280,712	244,389
	451,307	388,267	409,377	372,768
Future finance charges on finance leases	(168,088)	(119,545)	(156,853)	(115,401)
Present value of finance lease liabilities	283,218	268,722	252,524	257,367

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
The present value of finance lease liabilities is as follows(1):				
-not later than 1 year	15,882	10,382	14,605	9,835
-later than 1 year and not later than 5 years	72,207	69,856	65,912	67,386
-later than 5 years	195,129	188,484	172,007	180,146
	283,218	268,722	252,524	257,367

(1) Preliminary sale & leaseback agreements of €6,000,000 (Sounio) and of €8,000,000 (Kifissias & Sina - Building complex B) as well as an advance of €29,000,000 for a sale & leaseback agreement for Delta Falirou are not included included in the consolidated financial statements. Repayment will commence when finalised. As far as the company financial statements are concerned, the amounts not included are €3,600,000 for Sounio and €8,000,000 for Kifissias & Sina - Building complex B

18. Deferred income tax

Deferred income tax is determined by 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 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 € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Deferred tax assets:				
– deferred tax asset to be recovered after more than 12 months	–	208	–	–
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	115,505	67,705	92,710	58,925
	(115,505)	(67,497)	(92,710)	(58,925)

The movement in deferred tax assets and liabilities during the year relates mainly to increases in the fair value of investment property.

DEFERRED TAX LIABILITIES

Consolidated — *All amounts in € thousands*

	Investment property to fair value	Finance leases	Reversal of profil from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	Total
Total 01.01.2004	**99,156**	**–**	**–**	**–**	**–**	**–**	**99,156**
Income Statement	17,036	–	–	–	–	–	17,036
Total 31.12.2004	**116,192**	**–**	**–**	**–**	**–**	**–**	**116,192**
Income Statement	48,822	–	–	–	–	–	48,822
Acquisition of subsidiary	3,505	–	–	–	–	–	3,505
Total 31.12.2005	**168,518**	**–**	**–**	**–**	**–**	**–**	**168,518**

Company — *All amounts in € thousands*

	Investment property to fair value	Finance leases	Reversal of profil from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	Total
Total 01.01.2004	**79,146**	**–**	**–**	**–**	**–**	**–**	**79,146**
Income Statement	20,658	–	–	–	–	–	20,658
Total 31.12.2004	**99,804**	**–**	**–**	**–**	**–**	**–**	**99.804**
Income Statement	35,581	–	–	–	–	–	35,581
Total 31.12.2005	**135,385**	**–**	**–**	**–**	**–**	**–**	**135,385**

DEFERRED TAX ASSETS

Consolidated — *All amounts in € thousands*

	Investment property to fair value	Finance leases	Reversal of profil from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	Total
Total 01.01.2004	**–**	**40,667**	**9,037**	**540**	**429**	**–**	**50,673**
Income Statement	–	1,167	(2,658)	(400)	(87)	–	(1,977)
Total 31.12.2004	**–**	**41,834**	**6,379**	**140**	**342**	**–**	**48,695**
Income Statement	–	8,433	(6,379)	(138)	41	2,000	3,958
Acquisition of subsidiary	–	–	–	361	–	–	361
Total 31.12.2005	**–**	**50,268**	**–**	**363**	**384**	**2,000**	**53,014**
Total 31.12.2005 (net liability)	**168,518**	**(50,268)**	**–**	**(363)**	**(384)**	**(2,000)**	**115,505**

Company — *All amounts in € thousands*

	Investment property to fair value	Finance leases	Reversal of profil from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	Total
Total 01.01.2004	**–**	**39,915**	**3,659**	**538**	**392**	**–**	**44,504**
Income Statement	–	(1,681)	(1,465)	(398)	(81)	–	(3,625)
Total 31.12.2004	**–**	**38,234**	**2,193**	**140**	**311**	**–**	**40,879**
Income Statement	–	3,734	(2,193)	(138)	40	355	1,796
Total 31.12.2005	**–**	**41,968**	**–**	**2**	**351**	**355**	**42,675**
Total 31.12.2005 (net liability)	**135,385**	**(41,968)**	**–**	**(2)**	**(351)**	**(355)**	**92,710**

The adjustments incurring deferred income tax are not expected to be reversed within the next 12 months

There are no significant unrecognised deferred tax assets and liabilities.

19. Retirement benefit obligations

The amounts recognised in the balance sheet are as follows:

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Present value of unfunded obligations	2,084	1,567	1,838	1,472
Unrecognised actuarial losses	(535)	(186)	(434)	(227)
Unrecognised past service cost	–	–	–	–
	1,549	1,381	1,404	1,245
Liability in the balance sheet	**1,549**	**1,381**	**1,404**	**1,245**

The amounts recognised in the income statement are as follows:

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Current service cost	152	115	137	102
Interest cost	59	54	55	49
Net actuarial losses recognised during the year	6	–	9	–
Losses on curtailment	–	28	–	28
Total, included in employee benefit expense	**217**	**197**	**201**	**179**

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

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Beginning of the year	1,381	1,240	1,245	1,120
Total expense charged in the administrative expenses	217	197	201	179
Contributions paid	(48)	(56)	(43)	(53)
End of the year	**1,549**	**1,381**	**1,404**	**1,245**

The principal actuarial assumptions used were as follows:

Discount rate	3.62%	3.76%	3.62%	3.76%
Future salary increases	5.00%	5.00%	5.00%	5.00%

20. Trade and other payables

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Trade Payables	13,535	4,813	6,144	2,699
Amounts due to related parties (Note 33)	7,375	119	29,125	12,096
Social security and other taxes	4,905	7,075	646	2,230
Customer advances	1,260	29,563	1,006	1,241
Accrued expenses	3,740	12,904	18,965	413
Unearned and deferred income	73	–	73	–
Other creditors	345	450	207	173
Trade and other Payables	31,233	54,924	56,166	18,853

Group and company trade and other payables are interest free.

21. Derivatives

During 2005, the Company signed an interest rate swap. According to its terms, the company receives a prepayment of € 7,200 thousand which actually is the interest calculated on a notional principal of € 72,000 thousand. The Company has the obligation to pay 8 six-monthly instalments commencing on June 15th 2006. The instalments are calculated as interest on the notional principal with an interest rate based on the 5-year EUR swap rate (5y CMS).

At 31 December 2005, the fair value of the interest rate swap was € 7,970 thousand and a finance expense of € 770 thousand was recognised in the income statement.

22. Revenue

All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Rental income	35,011	31,318	28,648	24,987
Sale of property	4,298	12,794	4,298	11,344
Construction work	1,482	4,577	1,482	4,577
Other	–	–	8	3
	40,791	48,689	34,437	40,911

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

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

All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
No later than 1 year	44,539	35,864	31,269	29,376
Later than 1 year and no later than 5 years	205,395	154,779	137,054	126,809
Later than 5 years	539,978	302,996	274,152	262,755
	789,913	493,639	442,475	418,940

23. Expenses by nature

1/1/2005 - 31/12/2005

Consolidated — *All amounts in € thousands*

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	1,196	53	2,795	4,044
Inventory usage	4,113	–	–	4,113
Lease expenses	19,649	–	–	19,649
Depreciation of property, plant and equipment	147	–	189	335
Repairs and maintenance	86	–	59	145
Amortisation of intangible assets	–	–	164	164
Marketing	–	88	119	207
Other	1,082	20	5,826	6,927
Total	**26,273**	**161**	**9,151**	**35,585**

Company — *All amounts in € thousands*

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	1,193	53	2,617	3,863
Inventory usage	4,107	–	–	4,107
Lease expenses	13,410	–	–	13,410
Depreciation of property, plant and equipment	147	–	90	237
Repairs and maintenance	86	–	54	139
Amortisation of intangible assets	–	–	164	164
Marketing	–	88	119	207
Other	1,082	18	4,067	5,167
Total	**20,025**	**159**	**7,110**	**27,294**

1/1/2004 - 31/12/2004

Consolidated — *All amounts in € thousands*

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	3,802	54	2,410	6,266
Inventory usage	8,676	–	–	8,676
Lease expenses	17,955	–	–	17,955
Depreciation of property, plant and equipment	169	–	187	355
Repairs and maintenance	39	–	89	128
Amortisation of intangible assets	–	–	29	29
Marketing	–	217	–	217
Other	1,758	475	1,758	3,990
Total	**32,398**	**745**	**4,473**	**37,616**

Company — *All amounts in € thousands*

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	3,553	54	2,101	5,708
Inventory usage	8,332	–	–	8,332
Lease expenses	13,036	–	–	13,036
Depreciation of property, plant and equipment	169	–	79	248
Repairs and maintenance	39	–	45	84
Amortisation of intangible assets	–	–	29	29
Marketing	–	217	–	217
Other	1,593	475	1,589	3,657
Total	**26,721**	**745**	**3,844**	**31,310**

24. Other Gains / (expenses) net

All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Cancellation of preliminary contracts	1,324	–	593	–
Lease compensations	164	816	164	633
Compensations	318	3	–	3
Lease Guarantees	(68)	(71)	(157)	8
Tax fines and surcharges	(605)	(897)	(536)	(684)
Social Securities	19	–	19	–
Litigation expenses	–	(178)	–	(169)
Other	(157)	(125)	(148)	(112)
	995	(452)	(66)	(320)

25. Finance Expense (net)

FINANCE EXPENSE				
All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Bank Loan interest and other expenses	5,076	3,719	2,680	3,560
Interest expenses for preliminary SLB agreements and SLB contracts	14,862	26,418	13,707	25,480
Expenses for letters of guarantee	64	505	63	98
Finance Expenses due to IAS 32/39	137	–	133	–
Other	2,057	2,289	1,992	2,321
	22,196	32,930	18,574	31,458
FINANCE REVENUE				
All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Interest received	462	289	187	188
Other	–	–	–	–
	462	289	187	188
Finance Expense Revenue (net)	**(21,734)**	**(32,641)**	**(18,387)**	**(31,270)**

26. Employee benefit expense

All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Wages and salaries	8,936	9,259	7,879	8,669
Social security costs	2,990	3,422	2,513	3,216
Pension costs - defined benefit plans (Note 19)	169	140	158	126
Other	22	18	20	17
	12,116	12,840	10,570	12,027

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 € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Expense in income statement	128	4,113	84	4,107
Construction in progress (included either in inventory or investment property under construction)	11,988	8,727	10,486	7,920
	12,116	12,840	10,570	12,027

27. Income tax expense

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 € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Current tax	1,183	408	–	–
Prior years' income tax	3,141	3,669	1.607	–
Change in deferred tax due to change of tax rate	–	21,235	–	23,570
Change in deferred tax due to new temporary differences	44,503	(2,222)	33,785	712
	48,827	23,090	35,392	24,282

The weighted average applicable tax rate was 32%.

28. Earnings per share

All amounts in € thousands	Consolidated		Company	
	1/1/2005-31/12/2005	1/1/2004-31/12/2004	1/1/2005-31/12/2005	1/1/2004-31/12/2004
Net profit attributable to shareholders	120,789	129.862	68,271	137,786
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	3.83	2.01	4.06

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. Dividends per share

The Board of Directors will propose a dividend payment of €13,572,000 or €0.40 per share at the General Meeting of shareholders (2004: €12,214,800 or €0.36 per share). This represents an 11% year-on-year increase. The proposed dividend has not been included in the financial statements.

30. Cash generated from operations

All amounts in € thousands		Consolidated		Company	
	Note	1/1/2005 - 31/12/2005	1/1/2004 - 31/12/2004	1/1/2005 - 31/12/2005	1/1/2004 - 31/12/2004
Net profit		124,353	130,478	68,271	137,786
Adjustments for:					
– income tax expense		48,827	23,090	35,392	24,282
– depreciation and amortisation	8,9	571	557	465	449
– profit on sale of PPE		–	(2,276)	–	(2,453)
– net gain from fair value adjustment on investment property	7	(188,714)	(175,587)	(132,230)	(173,105)
– Increase in retirement provision	19	169	140	158	126
– Increase in provision for future tax audit differences		892	–	319	–
– Increase in provision for litigation and claims	31	1,179	–	437	–
– Increase in provision for doubtful debt		1,121	–	1,121	–
– interest expense - net	25	21,734	32,641	18,387	31,270
– dividend income		–	–	17,257	(10,953)
Changes in working capital:					
– trade and other receivables	12	15,942	(2,054)	15,504	(14,606)
– inventories	11	(366)	(1,936)	14	1,077
– payables	20	(26,149)	10,822	20,401	(12,518)
Cash generated from operations		(440)	15,875	45,495	(18,646)

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

All amounts in € thousands		Consolidated		Company	
	Note	1/1/2005 - 31/12/2005	1/1/2004 - 31/12/2004	1/1/2005 - 31/12/2005	1/1/2004 - 31/12/2004
Net book amount	8	–	1,974	–	1,797
Profit on sale of PPE		–	2,276	–	2,453
Proceeds from sale of PPE		–	4,250	–	4,250

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 has given guarantees in the ordinary course of business amounting to €8,857,845 to third parties concerning securing liabilities and fair execution.

At the balance sheet date, there were pending court decisions over injunctions filled against the Group from third parties amounting to €3,865 thousand for which a provision of €1,179 thousand 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.

32. Other Liabilities

The majority of the Group's other liabilities concern lease agreements with an average duration of 12 years. The lease liabilities for the following years are as follows:

All amounts in € thousands	Consolidated	Company
	31 December 2005	31 December 2004
No later than 1 year	17,696	11,760
Later than 1 year and no later than 5 years	69,657	45,941
Later than 5 years	144,949	75,846
	232,302	133,547

33. Related - Party transactions

All amounts in € thousands	Consolidated		Company	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
i) Sales of goods and services				
Sales of goods				
BVIC SA & Co GP	–	–	8	3
	–	–	8	3
ii) Purchases of goods and services				
Purchases of services				
BVIC SA & Co GP	–	–	–	–
Services of key management personnel	604	793	236	661
	604	793	236	661
iii) Key management compensation				
Salaries and other short term employee benefits	1,043	1,036	1,043	1,036
iv) Year-end balances arising from sales/purchases of goods/services				
Receivables from related parties				
BVIC SA & Co GP	–	–	50,439	46,126
Ergoliptiki - Ktimatiki - Touristiki SA	–	–	37	–
International Health Care S.A	11,936	14,500	11,739	12,928
Positive Ltd.	499	598	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	11,024	17,125	5,036	17,125
Key management personnel	–	344	–	–
	23,507	32,616	67,789	76,717
Payables to related parties				
International Palace Hotel SA	–	–	3,886	3,891
Doma SA	–	–	8,266	8,176
Alteco S.A	–	–	10,937	–
Marvo S.A.	–	59	–	29
Key management personnel	7,375	60	6,036	–
	7,375	119	29,125	12,096

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.

34. Business combinations

On January 18th, 2005 the Company acquired 99.01% of ALTECO S.A., a company that owns a plot of land at 49 Kifissias Av., in Maroussi.

The assets and liabilities arising from the acquisition are as follows:

All amounts in € thousands	**Fair value**	**Acquiree's carrying amount**
Cash and cash equivalents	–	–
Property, plant and equipment	21,281	5,819
Intangibles	–	1,443
Inventories	31	31
Receivables	794	794
Borrowings	(6,082)	(6,082)
Payables	(1,841)	(1,841)
Net deferred tax liabilities	(3,505)	–
Net assets	10,679	165
Minority interests (0.99%)	(106)	
Net assets acquired	10,572	
Cash outflow on acquisition	10,572	

No goodwill arose on the above acquisition.

35. Events after the balance sheet date

1. Interest Rate Swap Agreeement

Following an extensive review of the financial cost structure of its sale and leaseback and BOT portfolio, the Group decided to enter into a financial floating-to-fixed interest rate swap with Credit Suisse for the entire SLB and BOT portfolio amounting at € 336 million, in order to lock its financing cost. As a result of this transaction, the total cost of our current S&L and BOT portfolio, which represents approximately 80% of the Group's total debt portfolio, was set at 5.29%.

The Group's decision was mainly a result of the following factors:

The historic low interest rate environment, the anticipation that interest rates may continue to rise following the recent European Central Bank interest rate increase, in line with wider market consensus and the Group's commitment to reduce the interest rate risk and optimize our financing cost structure.

2. Sale and Leaseback Agreement for the property at 49 Kifissias Av.

The Group signed a sale and leaseback agreement of approximately € 5 million with Cyprus Leasing, for horizontal ownerships of the commercial centre developed at 49 Kifissias Avenue. The 15-year agreement covers 1,185 sqm of office space and 10 parking spaces.

12.4. Management Review of the Board of the Directors of "Babis Vovos – International Construction S.A."

For the 2005 annual parent and consolidated financial statements

Dear shareholders,

We have the pleasure of submitting to you the financial statements for the fiscal year 2004 for your consideration and of informing you briefly of the following:

Our company's Balance Sheet with the Income Statement, the Cash Flow Statement, and the Changes in Equity have been drawn up based on the applicable legislation and the International Financial Reporting Standards, and cover the period 1/1/2005 - 31/12/2005 and depict the true and fair view of the Company's and Group's financial structure as at 31/12/2005.

2005 was an excellent year for both BVIC Company and the Group. Net asset value per share for the company before deferred tax increased by 25% to euro 14.25 and 39% for the Group to euro 17.10 on an annual basis. The Company' s Earnings before tax per share recorded an annual decrease of 36% to euro 3.06, whereas the Group's EBT per share increased by 13% year on year to euro 5.10. This return was driven by a very strong portfolio performance in 2005, and new lettings.

MARKET OVERVIEW

OFFICE

Since 2000, the office market has witnessed strong demand for high quality large- scale space fuelled by growth in the telecommunications, financial and IT sector, along with privatization initiatives.

Strong tenant demand continued throughout 2005, from companies seeking to consolidate their space. However, there is a limited supply of space meeting the required specifications. The difficulty of constructing new developments in the city center favors peripheral areas, offering sustainable market growth in the medium term. Sustained demand, combined with limited supply, leading to a tightening in the market serve to increase the value of BVIC's portfolio. The 100% occupancy rate of our office portfolio is indicative of both positive market trend and quality of our product.

RETAIL

Greece continues to experience strong growth in consumer and retail demand, with retail sales volume growing at 4.1% in Q2 2005 (NBG Oct 2005 research). International investors and international commercial chains have shown strong interest in the market, leading to the development of this market. Large international retail brands such as Media Markt and FNAC just entered the Greek market, whereas Leroy Merlin and H&M will soon be opening their first stores in Athens, and players already present in the market such as Zara, Ikea and Starbucks are seeking to expand. Other companies such as Wal Mart, Tesco, Parfois, and Vasco Santos are all looking to entering the market in the near future. Our increasing interest in the retail market as developers and investors aims to capitalize on the favorable market trend producing risk diversification and growth maximization.

SALE AND LEASEBACK AGREEMENTS

49 KIFISSIAS AVENUE

During 2005, BVIC signed two sale and leaseback agreements for the retail centre under construction at 49 Kifissias Avenue.

BVIC Group signed a EUR 20 million sale and leaseback agreement with Ethniki Leasing. The 12-year sale and leaseback agreement covers the 4,758 sqm of retail space and 1,313 sqm of storage space that has been leased to Media Markt for 12 years.

The second sale and leaseback agreement is with Emporiki Leasing for Eur 21 million. The 16-year sale and leaseback agreement covers 1,116 sqm of retail space and 1,299 sqm of storage space, as well as 503 parking spaces. BVIC Group has already leased all of the parking space as well as 38% of the retail space, covered by the second sale and leaseback agreement.

The two sale and leaseback agreements for the 49 Kifissias retail centre cover 72% of the lettable area and all of the parking spaces.

DELTA FALIROU

BVIC Group signed a EUR 59 million sale and leaseback agreement with Alpha Leasing. The 13-year sale and leaseback agreement covers 94% of the total lettable and common area, as well as 100% of the parking spaces at the leisure and retail development under construction at Delta Falirou. The contract refers to 13,369 sqm of leisure and retail space and 1,204 sqm of storage space, as well as 738 parking spaces. The total of the lettable space covered by the sale and leaseback agreement has already been leased by BVIC Group to Village Roadshow, and Media Markt, and all of the parking spaces have been leased to a parking station operator. We expect the remaining 6% of common and lettable area, to be let well before the centre opens in mid 2006.

These sale and leaseback agreements reaffirm BVIC's strong ability to raise financing, as well as the confidence placed by major financial institutions in the quality of the Group's projects, and the secure leasing agreements it obtains with blue chip tenants.

SALE

The Group's sales for 2005 were rather limited in line with the strategy of boosting the value of the investment property portfolio. The most material was the sale of 871 sqm of commercial space space on the second floor of the development at 49 Kifissias Avenue, and 30 parking spaces in the same building to Embryogensis for Eur 3,595,000.

NEW LEASE AGREEMENTS

In 2005, BVIC signed lease agreements for approximately 20,000 sqm of lettable space and 1,300 parking spaces. The total annual lease income agreed for the first year was euro 7.7 million.

49 KIFISSIAS AVENUE

BVIC acquired a land plot of 11,000 sqm, at 49 Kifissias Avenue, in January 2005. Since then the group has delivered 58% of the 8,200sqm of lettable area and all of the 548 parking spaces. The whole of the retail centre was completed in December 2005.

Media Markt is the anchor tenant occupying 58% of the lettable area of the complex. The leading European electronics retailers, opened its first store in Athens, in the commercial complex at 49 Kifissias Avenue, in October 2005. Media Markt signed a 12-year lease for 4,758 sqm of retail space and 1,342 sqm of storage space.

Significant progress was made on the retail development at 49 Kifissias Avenue during Q3 2005. A 12 year lease agreement was signed with Giannelos, a parking station operator for 499 parking spaces, and 426 spm of retail space was let to a retailer. This brings the total space of the retail centre that has already been leased or sold to 74%, and the annual lease income, for the first year, to Eur 2,817,468.

DELTA FALIROU

Four lease agreements concerning the Delta Falirou development were signed in 2005.

Village Roadshow, signed two 12 year lease agreements, one for 6,269 sqm of retail space and a second lease agreement for 2,389 of bowling space. The total annual lease they will be paying is Eur 2,514,420.

Media Markt also signed a 12-year lease agreement for 3,831 sqm of retail space at an annual lease of Eur 1,128,000.

Giannelos, a parking station operator, signed a 12-year lease agreement for 741 parking spaces. The annual lease income for the first year was set at _ 840,000, bringing the total annual lease income for the 94% of the lettable area and the parking spaces that have been leased thus far to _4,488,420.

100% occupancy rate for BVIC Group's office portfolio

BVIC Group signed a closed 10-year lease agreement with Bestend Publishing SA, for the entire office building owned by the Group at 174 Syngrou Avenue. The lease covers 1,945 sqm of lettable area and 37 parking spaces. The annual lease income for the first of the ten years was set at EUR 374,460.

The letting of 174 Syngrou Avenue brings the total occupancy rate for BVIC's office portfolio to 100%. BVIC Group continues in its endeavors to optimize its real estate income portfolio, maintaining a portfolio of high quality income generating assets, protected by fixed long term leases.

PROJECTS UNDER CONSTRUCTION

SOUNIO

The Council of State cancelled the building permit that had been awarded to the Group on the 30 June 2004, for the development of 105 vacation homes on a land plot in Pountazeza Sounio. The Council of State's verdict, had been pending for over a year, therefore the Group investigated alternative development plans for the land plot during 2005. Specifically, BVIC completed a building design for the development of three distinct hotel units, with a total above ground area of 12,000 sqm. BVIC Group has already received all the necessary permits from the Greek National Tourist Organisation (GNTO) and is thus ready to apply for a new building permit, which is expected within the first quarter of 2006.

POROS – GALATAS

The finalisation of a purchase agreement, during Q3 2005, regarding 2 land plots on Poros Galatas, and 18,000 sqm of semi-developed residences, contributed _ 1.5m to BVIC's NAV before deferred tax.

In November 2005, BVIC Group was granted all of the necessary permits for the tourist development on Poros – Galatas ('Stella Maris'), by the Greek National Tourism Organisation ('GNTO'). The permit covers the refurbishment of the existing hotel, as well as the completion of semi-developed residences. The total building area for the development will be approximately 23,000 sqm, covering a land plot of 85,000 sqm.

The management of BVIC believes that these two properties for tourist development are located in particularly attractive locations which will result to significant demand from Greek and foreign hotel operators. The Group intends to secure a long-term lease agreement with hotel operators to manage the units that will be developed, confirming BVIC's Group main strategic goal of maximising shareholder value.

NEW PIPELINE PROJECTS

BVIC continues to strengthen its pipeline of development opportunities, with new projects undertaken in 2005, out of which the two most significant are:

340 SYNGROU AVENUE

The Group signed a preliminary agreement to purchase 99% of the shares of the company 'ELFINKO S.A'. The latter owns a land plot of 6,000 sqm at 340 Syngrou Avenue in the municipality of Kallithea - Athens.

The Group plans to develop a commercial building, on the aforementioned land plot, of approximately 14,000sqm of lettable area as well as 600 parking spaces. The estimated total cost, including plot acquisition and development cost of the project, is approximately _ 40 million. We are confident that 340 Syngrou Avenue, will turn out to be another highly successful commercial centre.

ATHENS AVENUE

BVIC Group was awarded the development of an 8,000 sqm land plot at 108-110 Athens Avenue, following an open bid by the Hellenic Exchanges SA (HELEX).

BVIC will develop an office building of 6,700 sqm, where all of HELEX's departments will relocate, as well as another building complex of approximately 17,000 sqm which will remain in BVIC's ownership. Furthermore, HELEX will also receive Eur 7 million in payment from BVIC. Excavation work started on the plot in December 2005, and completion is due in Q1 2007.

We are very pleased to have concluded this transaction with HELEX. We believe the relocation of the HELEX adds value to the whole project and provides this area with exciting new development opportunities. This high profile addition to BVIC's development pipeline further strengthens the group's strategy of developing properties that generate attractive returns.

INTEREST RATE SWAP

In January 2006, following an extensive review of the financial cost structure of its sale and leaseback and BOT portfolio, the Group decided to enter into a financial floating-to-fixed interest rate swap with Credit Suisse for the entire S&L and BOT portfolio which currently stands at EUR336 million, in order to lock its financing cost.

As a result of this transaction, the total cost of our current S&L and BOT portfolio, which represents approximately 80% of the Group's total debt portfolio, was set at 5.29%. This compares with the Group's floating cost of 5.19% on the agreement date which has already moved to 5.33% following the today's ECB interest rate hile.

Our decision was a result of a number of factors, including the historic low interest rate environment, our anticipation that interest rates may continue to rise following the recent ECB hike, in line with wider market consensus and our commitment to reduce the interest rate risk and optimize our financing cost structure.

INVESTOR RELATIONS

The implementation of our IR strategy was very effective. During 2005, we participated in numerous international and domestic conferences where we gave company presentations either in front of large investors' audiences or during one-on-one meetings. The most important include EPRA Annual Conference in Paris (BVIC was headline sponsor), Deutsche Bank European Mid Cap Conference in London, UBS Global Real Estate Conference in London, MIPIM Real Estate Conference in Cannes and Kempen European Real Estate Conference in Amsterdam. We managed to meet with more than 100 institutional investors in our headquarters in Athens, but also in London, Paris, Milan, Brussels, Amsterdam, Zurich, Frankfurt, New York and Boston.

Furthermore, our communication with various equities and real estate analysts became more intensive leading to the first stock coverage intiation by a leading international bank. We will continue building up the relationship with the local and international analysts' community aiming to increase further the number of investment houses that cover our stock.

The successful IR strategy led to a significant boost of BVIC's visibility. The liquidity in the share was also improved through a euro 54 million placement of shares with Tier 1 international institutional investors.

INTERNATIONAL PLACEMENT

BVIC's free float increased to 49% following the placement in July 2005, of 12.79% of the company's share capital. The placement of the shares by BVIC's major shareholder and Chairman, Mr. Charalampos Vovos, was with international institutional investors. Currently, foreign institutional shareholders account for approximately 43% of the Group's shareholder base. BVIC's participation in the FTSE EPRA/NAREIT Global Real Estate Index Series, the FTSE/ASE Mid 40 and the FTSE/ASE 140 was adjusted from 30% to 50%.

FINANCIAL STATEMENTS

We provide below some explanatory information on certain accounts in the Balance Sheet.

- The account "Investment property" includes 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. Investment property comprises freehold land, freehold buildings, properties held under operating lease and buildings held under finance lease. Properties 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. Further details can be found in the Note 7 of the Financial Statements.

- In the account "Cash and cash equivalents" of both the Parent Company and the Group there wasn't any foreign currency included as at 31/12/2005. Furthermore, neither the Company nor the Group held and kind of securities as at 31/12/2005.

The net profit after tax for the year ended 31/12/2005, after deducting interest expenses, depreciation, relevant expenses and deferred tax provision, stood at euro 68,271 thousand.
Fot the fiscal year 2005 based on the tax law provisions, the Company doesn't have any taxable earnings and therefore is not liable to pay any income tax.

The Board of Directors proposes to the AGM of shareholders a dividend payment of euro 0.40 per share. This represents an 11% year on year increase and it is in line with the management commitment to raise dividend on a constant basis. It has to be noted that dividend rose by 67% since 2002.

Following the above, we would like to ask of you, dear Shareholders, to approve the financial statements of the fiscal year 2005 and to release the Board of Directors and the certified auditors - accountants of any responsibility for compensation regarding the fiscal year 2005.

You may ask for any further detailed explanation during the Annual General Meeting.

The Board of Directors

Exact Copy

The Chief Executive Officer
Armodios Ch. Vovos

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P.

Figures and information for the period of 1 January 2005 until 31 December 2005

(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 illustrated below provide summary information about the financial position and results of BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P. 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 Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A web site address where the above mentioned information is listed.

Registered Address: 340 Kifissias Avenue, 154 51 Neo Psychico
Director, Manager, Legal Representative: BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.
Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005
Certified Auditor Accountant: Kyriakos Riris
Auditing firm: PRICEWATERHOUSECOOPERS S.A.
Type of auditor's opinion: Unqualified opinion
Parent Company Web site: www.babisvovos.com

BALANCE SHEET
Amounts in € thousand

		COMPANY 31/12/2005	COMPANY 31/12/2004
ASSETS			
Investment property & Property, plant and equipment		141,846	89,589
Intangible assets		2,182	2,182
Inventories		2,523	23,710
Trade & other receivables		5,288	7,037
Cash and cash equivalents		40,249	25,783
Other Assets		185	192
TOTAL ASSETS		192,273	148,492
EQUITY AND LIABILITIES			
Long -term borrowings, including finance leases		40,263	16,574
Deferred income tax long term liabilities		14,289	7,293
Other long term liabilities		880	1.281
Short -term borrowings, including finance leases		29,061	924
Other short term liabilities		67,736	94,346
Total Liabilities	(a)	152,230	120,420
Company capital		29	29
Retained earnings and reserves attributable the Company's equity holders		40,014	28,043
Total equity	(b)	40,043	28,073
TOTAL EQUITY & LIABILITIES	**(c)=(a)+(b)**	192,273	148,492

INCOME STATEMENT
Amounts in € thousand

	COMPANY 1/1-31/12/2005	COMPANY 1/1-31/12/2004
Revenue	5,888	7,524
Gross profit / (loss)	(320)	1,871
Earnings (loss) before interest, tax, depreciation and amortisation	23,893	2,179
Earnings (loss) before interest and tax	23,787	2,071
Profit / (loss) before income tax	21,027	954
Minus income tax expense	(9,060)	1,452
Net Profit / (loss) for the period	11,967	2,406

CHANGES IN EQUITY
Amounts in € thousand

	COMPANY 31/12/2005	COMPANY 31/12/2004
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	28,073	36,631
Effect of adopting IAS 32 & 39	3	-
Profit Distribution	-	(10,964)
Retained earnings	11,967	2,406
Equity balance (31/12/2005 and 31/12/2004 respectively)	40,043	28,073

CASH FLOW STATEMENT
Amounts in € thousand

		COMPANY 1/1-31/12/2005	COMPANY 1/1-31/12/2004
Operating activities			
Net profit before tax		21,027	954
Adjustments for:		-	-
Depreciation and amortisation		106	108
Interest expenses / (revenues)		2,760	1,117
Provisions		975	6
Results (revenues, expenses, profit, loss) from investment activities		(24,634)	(675)
Cash generated from operating activities before changes in working capital		234	1,510
Decrease / (increase) of inventory		(379)	(3,013)
Decrease / (increase) in trade & other receivables		1,753	2,088
Increase / (decrease) in short term liabilities (bank liabilities not included)		(29,498)	22,148
Cash flows from operating activities		(27,890)	22,733
Interest paid		(2,757)	(1,117)
Income tax paid		(550)	(4,315)
Net cash generated from operating activities	*(a)*	(31,197)	17,301
Cash flows from investing activities			
Additions in investment property, Property, plant and equipment		(6,163)	(404)
Net cash used in investing activities	*(b)*	(6,163)	(404)
Cash flows from financing activities			
Borrowings payback		(5,175)	(5,295)
Borrowings inflows		57,000	7,900
Net cash used in financing activities	*(c)*	51,825	2,605
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		14,465	19,502
Cash and cash equivalents at beginning of the year		25,783	6,281
Cash and cash equivalents at end of the year		40,249	25,783

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
2. The company has been tax audited up to the fiscal year 2002.
3. For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property and the property plant equipment amounting to € 27,512,157 have been given by the company as at 31/12/2005.
4. There are currently pending injunctions preventing construction for one of the company's projects and the full decision is expected in a very short period from the Council of State. According to the Management and the parent company's legal advisors the expected final decision, as well as any other cases contested in courts or under arbitration, are not likely to affect the Company's financial position or operations.
5. Number of employees at the end of the year : 140 individuals.
6. Related party transactions at 31/12/2005 :

	COMPANY
Purchases of goods and services	
Purchases of goods	
Babis Vovos International Construction S.A.	8
Purchases of services	
Services of key management personnel	368
Receivables from related parties	
Ergoliptiki - Ktimatiki - Touristiki S.A	33
International Healthcare S.A.	14
Positive Ltd	10
	57
Payables to related parties	
Babis Vovos International Construction S.A.	50,439
DOMA SA	84
Key management personnel	1,338
	51,861

7. Turnover Analysis according to STAKOD-2003 :

	COMPANY 1/1-31/12/2005	COMPANY 1/1-31/12/2004
Code 701.1 Development and sale of real estate :	-	1,451
Code 702.0 Leasing of private real estate :	5,888	6,074

ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A.

Figures and information for the period of 1 January 2005 until 31 December 2005

(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 illustrated below provide summary information about the financial position and results of ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A. 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 Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Avenue, 154 51 N. Psichiko Greece
Company's No. in the register of Societes Anonymes. : 3105/01AT/B/86/412(05)
Responsible Authority : Athens Prefecture, Eastern Attica Region
Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Maria Vovos wife of Ch. Vovos Vice-Chairman, Thaleia Vovos, Armodios Vovos, Triada Vovos Members
Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005
Certified Auditor Accountant: Anthonios Prokopidis
Auditing firm: PKF Euroelegktiki S.A.
Type of auditor's opinion: Unqualified opinion
Parent Company Web site: www.babisvovos.com

BALANCE SHEET
Amounts in € thousand

		COMPANY	
		31/12/2005	**31/12/2004**
ASSETS			
Investment Property		9,065	7,712
Trade & other receivables		6.050	198
Cash and cash equivalents		26	361
Other Assets		4,254	4,254
TOTAL ASSETS		19,394	12,525
EQUITY AND LIABILITIES			
Long -term borrowings, including finance leases		1,377	1,434
Deferred income tax long term liabilities		1,831	1,487
Other long term liabilities		112	121
Short -term borrowings, including finance leases		521	750
Other short term liabilities		268	208
Total Liabilities	(a)	4,109	4,001
Share capital		5,280	5,280
Retained earnings and reserves attributable the Company's equity holders		10,005	3,244
Total equity	(b)	15,285	8,524
TOTAL EQUITY & LIABILITIES	**(c)=(a)+(b)**	19,394	12,525

CASH FLOW STATEMENT
Amounts in € thousand

		COMPANY	
		1/1-31/12/2005	**1/1-31/12/2004**
Operating activities			
Net profit before tax		7,384	1,427
Adjustments for:		-	-
Depreciation and amortisation		(0)	-
Interest expenses / (revenues)		116	254
Provisions		7	8
Results (revenues, expenses, profit, loss) from investment activities		(1,353)	(1,630)
Cash generated from operating activities before changes in working capital		6,154	60
Decrease / (increase) in trade & other receivables		(5,852)	694
Increase / (decrease) in short term liabilities (bank liabilities not included)		76	17
Cash flows from operating activities		378	772
Interest paid		(116)	(254)
Income tax paid		(311)	5
Net cash generated from operating activities	*(a)*	(49)	522
Cash flows from investing activities			
Net cash used in investing activities	*(b)*	-	-
Cash flows from financing activities			
Borrowings payback		(287)	(656)
Borrowings inflows		-	340
Net cash used in financing activities	*(c)*	(287)	(316)
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		(336)	207
Cash and cash equivalents at beginning of the year		361	155
Cash and cash equivalents at end of the year		26	361

INCOME STATEMENT
Amounts in € thousand

	COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**
Revenue	281	189
Gross profit / (loss)	220	135
Earnings (loss) before interest, tax, depreciation	-	-
and amortisation	1,512	1,682
Earnings (loss) before interest	-	-
and tax	1,512	1,682
Profit / (loss) before income tax	7,384	1,427
Minus income tax expense	(630)	(141)
Net Profit / (loss) for the period	6,754	1,287
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	9.01	1.72
Proposed dividend (expressed in € per share)	-	-

CHANGES IN EQUITY
Amounts in € thousand

	COMPANY	
	31/12/2005	**31/12/2004**
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	8,524	7,237
Effect of adopting IAS 32 & 39	7	-
Retained earnings	6,754	1,287
Equity balance (31/12/2005 and 31/12/2004 respectively)	15,285	8,524

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
2. The company has been tax audited up to the fiscal year 2002.
3. For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property amounting to € 1,500,000 have been given by the company as at 31/12/2005.
4. There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
5. Number of employees at the end of the year : 1 individual.
6. Related party transactions at 31/12/2005 :

	COMPANY
Receivables from related parties	
International Palace Hotel S.A.	16
Ergoliptiki - Ktimatiki - Touristiki S.A & Co Ltd	5,988
	6,004
Payables to related parties	
Babis Vovos International Construction S.A.	37
Babis Vovos International Construction S.A. & Co G.P.	33
Key management personnel	1
	71

7. Turnover Analysis according to STAKOD-2003 :

	COMPANY	
	1/1-31/12/2005	1/1-31/12/2004
Code 702.0 Leasing of private real estate :	281	189

DOMA S.A.

Figures and information for the period of 1 January 2005 until 31 December 2005
(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 illustrated below provide summary information about the financial position and results of DOMA S.A. 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 Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A web site address where the above mentioned information is listed.

Registered Address : 3 Premetis Str., 151 25 Maroussi Greece
Company's No. in the register of Societes Anonymes. : 22314/01AT/B/90/378/97
Responsible Authority : Athens Prefecture, Eastern Attica Region
Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Armodios Vovos Vice-Chairman, Thaleia Vovos, Triada Vovos, Maria Vovos wife of Ch. Vovos Members
Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005
Certified Auditor Accountant: Anthonios Prokopidis
Auditing firm: PKF Euroelegktiki S.A.
Type of auditor's opinion: Unqualified opinion
Parent Company Web site: www.babisvovos.com

BALANCE SHEET
Amounts in € thousand

		COMPANY	
		31/12/2005	**31/12/2004**
ASSETS			
Investment Property		2,402	1,208
Intangible assets		247	247
Inventories		318	640
Trade & other receivables		8,535	8,449
Cash and cash equivalents		157	197
Other Assets		49	272
TOTAL ASSETS		11,707	11,011
EQUITY AND LIABILITIES			
Deferred income tax long term liabilities		230	-
Other long term liabilities		12	11
Other short term liabilities		143	5
Total Liabilities	(a)	384	16
Share capital		3,000	3,000
Retained earnings and reserves attributable the Company's equity holders		8,323	7,995
Total equity	(b)	11,323	10,995
TOTAL EQUITY & LIABILITIES	**(c)=(a)+(b)**	11,707	11,011

CASH FLOW STATEMENT
Amounts in € thousand

		COMPANY	
		1/1-31/12/2005	**1/1-31/12/2004**
Operating activities			
Net profit before tax		788	83
Adjustments for:		-	-
Interest expenses / (revenues)		(0)	(0)
Provisions		138	-
Results (revenues, expenses, profit, loss) from investment activities		(873)	-
Cash generated from operating activities before changes in working capital		53	83
Decrease / (increase) in trade & other receivables		(85)	(55)
Increase / (decrease) in short term liabilities (bank liabilities not included)		1	(33)
Cash flows from operating activities		(32)	(5)
Interest paid		0	0
Income tax paid		(8)	(0)
Net cash generated from operating activities	*(a)*	(40)	(5)
Cash flows from investing activities			
Net cash used in investing activities	*(b)*	-	-
Cash flows from financing activities			
Net cash used in financing activities	*(c)*	-	-
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		(40)	(5)
Cash and cash equivalents at beginning of the year		197	201
Cash and cash equivalents at end of the year		157	197

INCOME STATEMENT
Amounts in € thousand

	COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**
Revenue	108	115
Gross profit / (loss)	71	96
Earnings (loss) before interest, tax, depreciation	-	-
and amortisation	788	83
Earnings (loss) before interest	-	-
and tax	788	83
Profit / (loss) before income tax	788	83
Minus income tax expense	(461)	(119)
Net Profit / (loss) for the period	328	(36)
Basic and diluted earnings per share for profit attributable to the equity holders		
of the Company during the year (expressed in € per share)	3,28	(0,35)
Proposed dividend (expressed in € per share)	-	-

CHANGES IN EQUITY
Amounts in € thousand

	COMPANY	
	31/12/2005	**31/12/2004**
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	10,995	11,031
Retained earnings	328	(36)
Equity balance (31/12/2005 and 31/12/2004 respectively)	11,323	10,995

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
2. The company has been tax audited up to the fiscal year 1998.
3. For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property amounting to € 1,930,500 have been given by the company as at 31/12/2005.
4. There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
5. The company had no employees at 31/12/2005.
6. Related party transactions at 31/12/2005 :

	COMPANY
Receivables from related parties	
Babis Vovos International Construction S.A.	8,266
Babis Vovos International Construction S.A. & Co G.P.	84
International Healthcare S.A.	183
	8,350

7. Turnover Analysis according to STAKOD-2003 :

	COMPANY	
	1/1-31/12/2005	1/1-31/12/2004
Code 702.0 Leasing of private real estate :	108	115

INTERNATIONAL PALACE HOTEL S.A.

Figures and information for the period of 1 January 2005 until 31 December 2005

(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 illustrated below provide summary information about the financial position and results of INTERNATIONAL PALACE HOTEL S.A. 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 Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Avenue, 154 51 N. Psichiko Greece

Company's No. in the register of Societes Anonymes. : 1934/01AT/B/86/468/05

Responsible Authority : Athens Prefecture, Eastern Attica Region

Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Armodios Vovos Vice-Chairman, Thaleia Vovos, Triada Vovos, Maria Vovos wife of Ch. Vovos Members

Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005

Certified Auditor Accountant: Anthonios Prokopidis

Auditing firm: PKF Euroelegktiki S.A.

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET
Amounts in € thousand

		COMPANY	
		31/12/2005	**31/12/2004**
ASSETS			
Property, plant and equipment		12	12
Trade & other receivables		3,886	3,891
Cash and cash equivalents		10	9
Other Assets		103	103
TOTAL ASSETS		4,010	4,015
EQUITY AND LIABILITIES			
Other short term liabilities		75	16
Total Liabilities	(a)	75	16
Share capital		4,002	4,002
Retained earnings and reserves attributable the Company's equity holders		(66)	(4)
Total equity	(b)	3,936	3,999
TOTAL EQUITY & LIABILITIES	**(c)=(a)+(b)**	4,010	4,015

INCOME STATEMENT
Amounts in € thousand

	COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**
Revenue	-	-
Gross profit / (loss)	-	-
Earnings (loss) before interest, tax, depreciation and amortisation	(63)	(12)
Earnings (loss) before interest and tax	(63)	(12)
Profit / (loss) before income tax	(63)	(12)
Minus income tax expense	-	(0)
Net Profit / (loss) for the period	(63)	(12)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	(0.05)	(0.01)
Proposed dividend (expressed in € per share)	-	-

CHANGES IN EQUITY
Amounts in € thousand

	COMPANY	
	31/12/2005	**31/12/2004**
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	3,999	4,011
Retained earnings	(63)	(12)
Equity balance (31/12/2005 and 31/12/2004 respectively)	3,936	3,999

CASH FLOW STATEMENT
Amounts in € thousand

		COMPANY	
		1/1-31/12/2005	**1/1-31/12/2004**
Operating activities			
Net profit before tax		(63)	(12)
Adjustments for:			
Provisions		59	-
Cash generated from operating activities before changes in working capital		(4)	(12)
Decrease / (increase) in trade & other receivables		5	104
Increase / (decrease) in short term liabilities (bank liabilities not included)		-	(35)
Cash flows from operating activities		1	57
Income tax paid		-	(57)
Net cash generated from operating activities	*(a)*	1	(0)
Cash flows from investing activities			
Net cash used in investing activities	*(b)*	-	-
Cash flows from financing activities			
Net cash used in financing activities	*(c)*	-	-
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		1	(0)
Cash and cash equivalents at beginning of the year		9	10
Cash and cash equivalents at end of the year		10	9

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
2. The company has been tax audited up to the fiscal year 2002.
3. No guarantees and mortgages have been given by the company.
4. There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
5. The company had no employees at 31/12/2005.
6. Related party transactions at 31/12/2005 :

	COMPANY
Receivables from related parties	
Babis Vovos International Construction S.A.	3,886
	3,886
Payables to related parties	
Ergoliptiki - Ktimatiki - Touristiki S.A	16
	16

BABIS VOVOS
INTERNATIONAL CONSTRUCTION S.A.

ALTECO S.A.

Figures and information for the period of 1 January 2005 until 31 December 2005
(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 illustrated below provide summary information about the financial position and results of ALTECO S.A. 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 Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A web site address where the above mentioned information is listed.

Registered Address : 47 Solonos str., 106 72 Athens Greece
Company's No. in the register of Societes Anonymes. : 5247/01/B/86/5245
Responsible Authority : Athens Prefecture, Central Sector
Board of Directors : Christos Vovos Chairman, Thaleia Vovos Vice-Chairman & Chief Executive Officer, Armodios Vovos Chief Executive Officer, Triada Vovos, Evangelia Asimakopoulos Members
Date of approval of the annual Financial Results (from which the summary data were derived) :March 2nd 2005
Certified Auditor Accountant: Anthonios Prokopidis
Auditing firm: PKF Euroelegktiki S.A.
Type of auditor's opinion: Unqualified opinion
Parent Company Web site: www.babisvovos.com

BALANCE SHEET
Amounts in € thousand

		COMPANY	
		31/12/2005	**31/12/2004**
ASSETS			
Investment Property		51,785	5,819
Inventories		31	31
Trade & other receivables		11,555	794
Cash and cash equivalents		48	-
Other Assets		-	361
TOTAL ASSETS		63,420	7,005
EQUITY AND LIABILITIES			
Long -term borrowings, including finance leases		19,178	6,082
Deferred income tax long term liabilities		7,942	-
Other long term liabilities		24	902
Short -term borrowings, including finance leases		707	-
Other short term liabilities		560	938
Total Liabilities	(a)	28,411	7,923
Share capital		1,033	1,033
Retained earnings and reserves attributable the Company's equity holders		33,976	(1,951)
Total equity	(b)	35,009	(918)
TOTAL EQUITY & LIABILITIES	**(c)=(a)+(b)**	63,420	7,005

CASH FLOW STATEMENT
Amounts in € thousand

		COMPANY	
		1/1-31/12/2005	**1/1-31/12/2004**
Operating activities			
Net profit before tax		29,113	(593)
Adjustments for:		-	-
Interest expenses / (revenues)		470	463
Provisions		148	(0)
Results (revenues, expenses, profit, loss) from investment activities		(29,623)	-
Cash generated from operating activities before changes in working capital		108	(130)
Decrease / (increase) of inventory		-	14
Decrease / (increase) in trade & other receivables		(10,761)	(719)
Increase / (decrease) in short term liabilities (bank liabilities not included)		(1,750)	1,111
Cash flows from operating activities		(12,403)	277
Interest paid		(470)	(463)
Income tax paid		(0)	(0)
Net cash generated from operating activities	*(a)*	(12,874)	(186)
Cash flows from investing activities			
Additions in investment property, Property, plant and equipment		(881)	-
Net cash used in investing activities	*(b)*	(881)	-
Cash flows from financing activities			
Borrowings payback		(6,197)	0
Borrowings inflows		20,000	96
Net cash used in financing activities	*(c)*	13,803	96
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		48	(90)
Cash and cash equivalents at beginning of the year		-	90
Cash and cash equivalents at end of the year		48	(0)

INCOME STATEMENT
Amounts in € thousand

	COMPANY	
	1/1-31/12/2005	**1/1-31/12/2004**
Revenue	134	-
Gross profit / (loss)	134	-
Earnings (loss) before interest, tax, depreciation	-	-
and amortisation	29,583	(130)
Earnings (loss) before interest	-	-
and tax	29,583	(130)
Profit / (loss) before income tax	29,113	(593)
Minus income tax expense	(4,783)	-
Net Profit / (loss) for the period	24,330	(593)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	691.20	(16.85)
Proposed dividend (expressed in € per share)	-	-

CHANGES IN EQUITY
Amounts in € thousand

	COMPANY	
	31/12/2005	**31/12/2004**
Total Equity (at 1/1/2005 and 1/1/2004 respectively)	(918)	758
Retained earnings	35,927	(1,676)
Equity balance (31/12/2005 and 31/12/2004 respectively)	35,009	(918)

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A" for the first time in year 2005 since it was acquired on January 2005.
2. The company has been tax audited up to the fiscal year 1998.
3. For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property amounting to € 14,300,367 have been given by the company as at 31/12/2005.
4. There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
5. The company had no employees at 31/12/2005.
6. Related party transactions at 31-12-2005 :

	COMPANY
Receivables from related parties	
Babis Vovos International Construction S.A.	10,937
	10,937

7. Turnover Analysis according to STAKOD-2003 :

	COMPANY	
	1/1-31/12/2005	1/1-31/12/2004
Code 702.0 Leasing of private real estate :	134	-

12.10. Financial statements of the subsidiaries included in the consolidated financial statements

The financial statements of the subsidiaries that are included in the consolidated financial statements of “Babis Vovos International Construction S.A.” are presented in the latter’s website - www.babisvovos.com.

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BABIS VOVOS
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