



## Eurobank Properties REIC

### SIX MONTH FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2010

**This financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.**

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**STATEMENT OF THE BOARD OF DIRECTORS OF**  
**«EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY»**  
**FOR THE CONDENSED CONSOLIDATED AND COMPANY INTERIM INFORMATION**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2010**  
**(IN ACCORDANCE WITH ARTICLE 5a OF LAW 3556/2007)**

We state that to the best of our knowledge that the interim financial information of the Company and the Group of “Eurobank Properties” for the six month period ended 30 June 2010, were prepared according to the applicable accounting standards, and present fairly the financial position and the results of the Group and the Company, as well as the subsidiary companies which are included in the consolidation as a total.

Furthermore, to the best of our knowledge the Report of the Board of Directors for the period presents fairly the information required by paragraph 6 of article 5 of Law 3556/2007.

Athens, 28 July 2010

Nikolaos A. Bertzos

Georgios Chryssikos

Vasilios Vafeiadis

Chairman of the BoD

General Manager &  
Executive Member of the BoD

Non Executive Member  
of the B.o.D.

All amounts expressed in €'000s unless otherwise stated

**DIRECTORS' REPORT OF**  
**«EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY»**  
**FOR THE CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2010**

**Dear Shareholders,**

According to the law 3556/2007 and the executive decisions of the Hellenic Capital Market Commission, we present the semi annual Board of Directors' report of Eurobank REIC Consolidated and Company Interim Financial Statements for the six month period ending June 30, 2010.

**Financial Position of the Group**

This period confirmed the potential of the Group and its establishment as one of the most important Real Estate Investment Funds in Greece and South Eastern Europe.

The results of the Group, given the current market conditions, and the effect of the portfolio valuation as well as the imposition of extraordinary taxation is considered very satisfactory. This is mainly driven by the steady growth in rental income, efficient cash management resulting in higher interest income and stable operating costs despite the increase of the VAT rate from 19% to 21%.

The outlook of the 2nd half of 2010 is going to be characterized by steady rental income and further cost containment. We expect a small decrease in the portfolio valuation and improvement of interest income due to cash management.

Our high quality and diversified real estate portfolio, our strong credit-worthy tenant base, along with our strong liquidity and management competence are the major contributing factors that comprise the successful, given the current conditions, growth of our Group.

As at June 30, 2010 our portfolio consists of 57 properties. The majority of the property is located in Greece and more specifically 37 are in Athens. In addition 14 properties are located in other Greek major cities like Thessaloniki, Patra, Volos, and Iraklio Crete, Xanthi etc. In Central and North Europe the Company also owns two (2) commercial properties in Serbia, three (3) in Romania and one (1) in Ukraine.

As at June 30, 2010, the Groups portfolio consists of 327.461 square meters with a total fair value amounting to €648.668 as valued from the Body of Sworn-In Valuers of Greece (SOE).

**Revenue:** The Group's revenue for the period ending June 30, 2010 amounted to €22.291 (which includes gain from sale of one investment property amounting to €240) compared to €21.078, an increase of €1.213 or 5,75%. The increase is mainly due to rental income amounting to €22.051 compared to €20.358 an increase of €1.693 or 8,32%.

The increase in rental income is due to the new investments completed in the second semester of 2009 and more specifically the acquisition of three retail boxes in Metamorfossi, Patra and Larissa, leased to Praktiker Hellas S.A.

**Loss from fair value adjustment on investment property:** The Group's loss from fair value adjustments for the period ending June 30, 2010 amounted to €18.827 compared to €5.892 gains from fair value adjustments for the period ending June 30, 2009. The decrease in the portfolio valuation is considered reasonable considering the macroeconomic problems in the real economy and the real estate sector.

**Operating Profit:** The Group's operating profit for the period ending June 30, 2010 amounted to €54 compared to €24.111 of the previous period. The Group's operation profit for the period ending June 30, 2010, excluding fair value losses, amounted to €18.881 compared to €17.738 (excluding non recurring profit of €481) of the previous period an increase of €1.143 or 6,4%. The increase is mainly due to the increase in revenue of €1.213 while the operational expenses have remained steady despite the increase of the VAT rate from 19% to 21%.

All amounts expressed in €'000s unless otherwise stated

**Interest Income:** The Group's interest income for the period ending June 30, 2010 amounted to €2.798 compared to €5.410 of the previous period, a decrease of € 2.612 or 48%. This decrease reflects the decrease of deposit rates during the period as well as the lower cash balances due to the new investments incurred during the second semester of 2009.

**Interest Expense:** The Group's interest expense for the period ending June 30, 2010 amounted to €1.062 compared to €2.124 of the previous period, a decrease of € 1.062 or 50%. This decrease reflects the decrease of interest rates during the period.

**Income Tax Expense:** The Group's income tax expense for the period ending June 30, 2010 amounted to €5.104 (which includes amount of €4.375 from the imposition of the extraordinary tax on profits of 2009 according to Law 3845/2010) compared to €1.468 of the previous period, an increase of €3.636 or 247%. As described in note 12 of the financial statements, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1%.

**Losses after Tax:** As a result of the above, the net loss after tax for the period ending June 30, 2010 amounted to € 3.314 compared to net profit €25.929 of the previous period.

**Own Shares:** The Company during the six month period ended June 30,2010 purchased 134.274 treasury shares with a total cost of €843 and average price €6,28 per share, according to the Annual Shareholders Meeting at March 16, 2009 which approved the purchase of treasury shares up to 2% on the total amount of shares at a maximum price of €9 and a minimum price of €2,13, in accordance with article 16 par.5-13 and Law 2190/1920 before the amendment of Law 3604/2007. As of June 30,2010 the Company owned 482.634 treasury shares with a total cost of €3.420 and average price €7,09 per share. As of June 30,2009 the company owned 173.328 treasury shares with a total cost of €1.205 and average price €6,93 per share.

#### Basic Ratios

	30.06.2010	31.12.2009
<b>Liquidity Ratio</b>		
Current Ratio	9x	9x
<b>Leverage Ratio</b>		
Debt to Total Assets	14%	14%
LTV	15%	15%
<b>Market NAV</b>	€11,47	€11,94

#### Fund from Operations

	30.06.2010	30.06.2009	Movement	%
Fund from Operations (F.F.O.)	15.511	19.548	(4.037)	-21%

The decrease of €4.037 or 21% is mainly due to the additional taxes ( extraordinary tax according to Law 3845/2010) which affected the income statement of the period as mentioned above as well as the reduced net interest income.

All amounts expressed in €'000s unless otherwise stated

## **SIGNIFICANT EVENTS**

During six month period ended June 30,2010, the Company concluded the sale of one property resulting in gain of €240 in the period. The foregone rental income for the period as a result of this is €145.

On April 30<sup>th</sup> the Company completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company has acquired the ground floor along with its auxiliary spaces totalling 385 sqm and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1.214 ( including notaries and lawyers fees of €14) .The fair value of the property as evaluated by the Body of Sworn - In Valuers of Greece (SOE) is €1.300

## **SIGNIFICANT RISKS**

### **Fluctuations in Property Values:**

Fluctuations in property values, which are reflected in the Income Statement and Balance Sheet, are dependent on the market value of our commercial properties. During the reference period the Group recorded losses from fair value adjustments of properties, which reflect the macroeconomic problems in the real economy and the real estate sector. The fluctuation of market values have a significant impact on Group profitability and assets. However, due to the long duration of leases and the quality of the tenants the impact on cash flow from investment properties will be overall steady.

### **Non-Performance of Tenants:**

Income may be adversely affected by the non-performance of tenants. However, the group has a diversified tenant base consisting mainly of blue chip Companies in Greece and South Eastern Europe which should minimise the impact of the failure of any individual tenants.

### **Interest rate risk**

The Group's interest rate risk arises from long-term finance leases, bank borrowings and the amount of cash held in deposits. The continuous decrease in interest rates will result in lower interest income which is partially offset by lower finance costs.

### **Inflation Risk**

The Group's exposure to inflation risk is limited as the Group usually enters into long term operating lease arrangements with tenants for a minimum of 12 years under which annual rental increases are linked to the consumer price index plus a spread of up to 2%.

### **Regulatory and Compliance Risks:**

The Company has expanded its investment strategies into South Eastern Europe. Currently the Company has investments in Romania, Ukraine and Serbia. A lack of understanding of the local regulatory environment, given the increased number of investment jurisdictions, could result in increased international, national, state or local taxes or other regulatory sanctions. The mitigating control of this risk is that we have local consultant's i.e. legal advisors and local accountants advising us, before any investment but also after the realization of an investment, on the regulatory environment, our rights and obligations, and ensuring us that they are met.

### **External Environmental Factors**

The Company has investments in Greece, Romania, Serbia and Ukraine. The Company can be affected in general by external factors such as political instability, economic uncertainty, and changes in tax regulations. This is especially true for South Eastern Europe which is at higher risk than Greece.

### **Related party transactions**

All amounts expressed in €'000s unless otherwise stated

All transactions with related parties are entered into in the normal course of business on an arm's length basis. Related party transactions as defined by IAS 24 of the Parent Company and the Group are fully disclosed in note 16 of the Condensed Consolidated and Company Interim Financial Information for the six month period ended 30 June 2010.

Maroussi

July 28 2010

The Board of Directors

Nikolaos A. Bertzos

George Chryssikos

Vasilios Vafeiadis

Chairman of the BoD

General Manager &  
Executive Member of the BoD

Non Executive Member of  
the BoD

[Translation from the original text in Greek]

## **Report on Review of Interim Financial Information**

### **To the Shareholders of Eurobank Properties REIC**

#### ***Introduction***

We have reviewed the accompanying condensed company and consolidated balance sheet of Eurobank Properties REIC (the "Company") and its subsidiaries as of 30 June 2010 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

#### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

#### ***Reference to Other Legal and Regulatory Requirements***

Our review has not revealed any inconsistency or discrepancy of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Halandri, July 30, 2010  
The Certified Auditor

PricewaterhouseCoopers SA  
Kifissias 268  
Halandri 15232  
SOEL Reg.No. 113

Marios Psaltis  
SOEL Reg.No. 38081

All amounts expressed in €'000s unless otherwise stated

## Consolidated and Company Balance sheet

	Note	Group		Company	
		30/06/2010	31/12/2009	30/06/2010	31/12/2009
<b>ASSETS</b>					
<i>Non-current assets</i>					
Investment Property	5	648.668	669.000	500.939	513.822
Property, plant and equipment		1.726	1.734	1.726	1.732
Goodwill and Intangible Assets		335	335	-	-
Investments in subsidiaries	6	-	-	69.782	69.768
Deferred tax asset		691	709	-	-
		<b>651.420</b>	<b>671.778</b>	<b>572.447</b>	<b>585.322</b>
<i>Non-current assets</i>					
Trade and other receivables	7	4.700	5.213	6.418	7.202
Cash and cash equivalents	8	155.029	166.848	150.033	159.288
		<b>159.729</b>	<b>172.061</b>	<b>156.451</b>	<b>166.490</b>
<b>Total assets</b>		<b>811.149</b>	<b>843.839</b>	<b>728.898</b>	<b>751.812</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<i>Capital and reserves</i>					
Share capital	9	128.902	129.188	128.902	129.188
Share premium	9	464.357	464.914	464.357	464.914
Other reserves		9.469	9.335	8.566	8.566
Revaluation Reserve		558	558	558	558
Retained earnings		94.826	122.449	93.468	114.955
<b>Total shareholders' equity</b>		<b>698.112</b>	<b>726.444</b>	<b>695.851</b>	<b>718.181</b>
Deferred income		115	145	115	145
<i>Non-current liabilities</i>					
Borrowings, including finance leases	10	95.315	97.445	19.311	20.463
		<b>95.315</b>	<b>97.445</b>	<b>19.311</b>	<b>20.463</b>
<i>Current liabilities</i>					
Trade and other payables	11	8.357	12.324	6.256	7.558
Dividends payable	13	-	29	-	29
Current income tax liabilities		5.313	3.436	5.107	3.234
Borrowings, including finance leases	10	3.937	4.016	2.257	2.202
		<b>17.607</b>	<b>19.805</b>	<b>13.621</b>	<b>13.023</b>
<b>Total liabilities</b>		<b>113.037</b>	<b>117.395</b>	<b>33.047</b>	<b>33.631</b>
<b>Total shareholders' equity and liabilities</b>		<b>811.149</b>	<b>843.839</b>	<b>728.898</b>	<b>751.812</b>

All amounts expressed in €'000s unless otherwise stated

## Consolidated Income Statement

	Note	Six month period ended		Three month period ended	
		30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Revenue</b>					
Rental Income		22.051	20.358	11.187	10.090
Gain from sale of investment property	5	240	720	-	680
		<b>22.291</b>	<b>21.078</b>	<b>11.187</b>	<b>10.770</b>
Net gain/(loss) from fair value adjustment on investment property	5	(18.827)	5.892	(18.827)	3.557
Repair and maintenance costs		(121)	(134)	(22)	(108)
Management fee		(564)	(546)	(279)	(298)
Other direct property relating expenses		(1.427)	(1.340)	(871)	(590)
Employee benefit expense		(499)	(516)	(227)	(264)
Depreciation of property, plant and equipment		(27)	(21)	(15)	(11)
Other income		29	510	14	503
Other expenses		(801)	(812)	(277)	(549)
		<b>54</b>	<b>24.111</b>	<b>(9.317)</b>	<b>13.010</b>
<b>Operating profit/ (loss)</b>					
Interest income		2.798	5.410	1.613	1.901
Finance costs		(1.062)	(2.124)	(630)	(1.018)
<b>Profit/ (loss) before income tax</b>		<b>1.790</b>	<b>27.397</b>	<b>(8.334)</b>	<b>13.893</b>
Income tax expense	12	(5.104)	(1.468)	(4.799)	(828)
<b>Profit/ (loss) for the period</b>		<b>(3.314)</b>	<b>25.929</b>	<b>(13.133)</b>	<b>13.065</b>
<b>Earnings/ (losses) per share (expressed in € per share)</b>					
- Basic and Diluted	14	<b>(0,05)</b>	<b>0,43</b>	<b>(0,22)</b>	<b>0,21</b>

All amounts expressed in €'000s unless otherwise stated

## Company Income Statement

	Note	Six month period ended		Three month period ended	
		30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Revenue</b>					
Rental Income		17.627	16.135	8.854	8.107
Gain from sale of investment property	5	240	720	-	680
		<b>17.867</b>	<b>16.855</b>	<b>8.854</b>	<b>8.787</b>
Net gain/ (loss) from fair value adjustment on investment property	5	(10.420)	6.971	(10.420)	3.690
Repair and maintenance costs		(104)	(126)	(16)	(100)
Management fee		(439)	(398)	(224)	(197)
Other direct property relating expenses		(480)	(741)	(205)	(351)
Employee benefit expense		(491)	(510)	(223)	(261)
Depreciation of property, plant and equipment		(27)	(21)	(15)	(11)
Other income		29	645	14	638
Other expenses		(524)	(451)	(192)	(309)
		<b>5.411</b>	<b>22.224</b>	<b>(2.427)</b>	<b>11.886</b>
<b>Operating profit/ (loss)</b>					
Interest income		2.762	5.379	1.591	1.889
Finance costs		(225)	(541)	(114)	(222)
<b>Profit / (loss) before income tax</b>		<b>7.948</b>	<b>27.062</b>	<b>(950)</b>	<b>13.553</b>
Income tax expense	12	(5.032)	(1.468)	(4.739)	(848)
<b>Profit / (loss) for the period</b>		<b>2.916</b>	<b>25.594</b>	<b>(5.689)</b>	<b>12.705</b>

All amounts expressed in €'000s unless otherwise stated

## Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	Six month period ended 30/06/2010	30/06/2009	Six month period ended 30/06/2010	30/06/2009
<b>Profit for the period</b>	<b>(3.314)</b>	<b>25.929</b>	<b>2.916</b>	<b>25.594</b>
Other comprehensive income/(losses) after tax				
Exchange rate differences transferred to income/(losses) after taxes	228	(411)	-	-
Other comprehensive income/(loss) for the period	228	(411)	-	-
<b>Total Comprehensive income/(loss) for the period</b>	<b>(3.086)</b>	<b>25.518</b>	<b>2.916</b>	<b>25.594</b>
<b>Total Comprehensive income/(loss) for</b>				
- Shareholders (Owners of the parent)	(3.086)	25.518	2.916	25.594
- Minority interest	-	-	-	-
<b>Total Comprehensive income/(losses) after taxes</b>	<b>(3.086)</b>	<b>25.518</b>	<b>2.916</b>	<b>25.594</b>
<b>Total income/(losses) after taxes distributed to:</b>				
Owners of the parent	(3.086)	25.517	2.916	25.594
Minority interest	-	-	-	-

The Condensed Consolidated and Company Interim Financial Information for the six month period ended 30 June 2010 were approved by the Board of Directors on 28 July 2010 and are signed on its behalf by:

Chairman of the B.o.D.	General Manager	Chief Financial Officer	Chief Accountant
Nikolaos A. Bertzos	Georgios Chryssikos	Stylios Probonas	Evangelos Tentis

All amounts expressed in €'000s unless otherwise stated

## Consolidated Statement of changes in shareholders' equity

	Note	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2009</b>		<b>129.930</b>	<b>466.749</b>	<b>7.058</b>	<b>116.670</b>	<b>720.407</b>
Profit for the period		-	-	-	25.929	25.929
Other comprehensive income/(loss) after tax		-	-	-	-	-
Foreign exchange differences		-	-	(504)	92	(412)
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>(504)</b>	<b>26.021</b>	<b>25.517</b>
Acquisition of own shares		(369)	(836)	-	-	(1.205)
Interim dividend relating 2008 approved by the shareholders		-	-	-	(22.570)	(22.570)
<b>Balance at 30/06/2009</b>		<b>129.561</b>	<b>465.913</b>	<b>6.554</b>	<b>120.121</b>	<b>722.149</b>
<b>Balance at 1/1/2010</b>		<b>129.188</b>	<b>464.914</b>	<b>9.893</b>	<b>122.449</b>	<b>726.444</b>
Profit/ (loss) for the period		-	-	-	(3.314)	(3.314)
Other comprehensive income/(loss) after tax		-	-	-	-	-
Foreign exchange differences		-	-	134	94	228
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>134</b>	<b>(3.220)</b>	<b>(3.086)</b>
Acquisition of own shares		(286)	(557)	-	-	(843)
Dividend relating to 2009 approved by the shareholders	13	-	-	-	(24.403)	(24.403)
<b>Balance at 30/06/2010</b>		<b>128.902</b>	<b>464.357</b>	<b>10.027</b>	<b>94.826</b>	<b>698.112</b>

All amounts expressed in €'000s unless otherwise stated

## Company Statement of changes in shareholders' equity

	Note	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2009</b>		<b>129.930</b>	<b>466.749</b>	<b>6.549</b>	<b>108.336</b>	<b>711.564</b>
Profit for the period		-	-	-	25.594	25.594
Other comprehensive income/(loss) after tax		-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>25.594</b>	<b>25.594</b>
Acquisition of own shares		(369)	(836)	-	-	(1.205)
Interim dividend relating 2008 approved by the shareholders		-	-	-	(22.570)	(22.570)
<b>Balance at 30/06/2009</b>		<b>129.561</b>	<b>465.913</b>	<b>6.549</b>	<b>111.360</b>	<b>713.383</b>
<b>Balance at 1/1/2010</b>		<b>129.188</b>	<b>464.914</b>	<b>9.124</b>	<b>114.955</b>	<b>718.181</b>
<b>Profit for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2.916</b>	<b>2.916</b>
Other comprehensive income/(loss) after tax		-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2.916</b>	<b>2.916</b>
Acquisition of own shares		(286)	(557)	-	-	(843)
Dividend relating to 2009 approved by the shareholders	13	-	-	-	(24.403)	(24.403)
<b>Balance at 30/06/2010</b>		<b>128.902</b>	<b>464.357</b>	<b>9.124</b>	<b>93.468</b>	<b>695.851</b>

All amounts expressed in €'000s unless otherwise stated

## Consolidated and Company cash flow statement

	Note	Group		Company	
		1/1 – 30/06/2010	1/1 – 30/06/2009	1/1 – 30/06/2010	1/1 – 30/06/2009
<b>Cash flows from operating activities</b>					
Profit /(loss) before income tax		(3.314)	25.929	2.916	25.594
Adjustments for:					
Other gains and losses		(29)	(510)	(29)	(504)
Provisions					
Interest income		(2.798)	(5.410)	(2.762)	(5.379)
Finance costs		1.062	2.124	225	541
Income tax expense		5.104	1.468	5.032	1.468
Depreciation of property, plant and equipment		27	21	27	21
Net gain/(loss) in fair value of investment property	5	18.827	(5.892)	10.420	(6.971)
Changes in working capital					
(Increase) / decrease in receivables		513	(2.640)	784	(231)
Increase / (decrease) in payables		(3.863)	(3.121)	(1.390)	(3.676)
<b>Cash generated from operations</b>		<b>15.529</b>	<b>11.969</b>	<b>15.223</b>	<b>10.863</b>
Interest paid		(833)	(2.360)	(211)	(2.277)
Income tax paid		(3.211)	(2.124)	(3.159)	(549)
<b>Net cash generated from operating activities</b>		<b>11.485</b>	<b>7.485</b>	<b>11.853</b>	<b>8.037</b>
<b>Cash flows from investing activities</b>					
Purchases of investment property		(1.200)	(4.062)	(1.200)	(4.062)
Subsequent capital expenditure on investment property		(940)	(3.238)	(47)	(77)
Disposals of investment property	5	3.950	12.640	3.950	12.640
Interest received		2.569	5.410	2.533	5.046
<b>Net cash used in investing activities</b>		<b>4.379</b>	<b>10.750</b>	<b>5.236</b>	<b>13.547</b>
<b>Cash flows from financing activities</b>					
Purchases of treasury shares	9	(843)	(1.205)	(843)	(1.205)
Proceeds from borrowings		-	2.200	-	-
Repayments of borrowings		(2.209)	(1.135)	(1.098)	(870)
Dividends paid to company shareholders	13	(24.403)	(22.570)	(24.403)	(22.570)
<b>Net cash used in financing activities</b>		<b>(27.455)</b>	<b>(22.710)</b>	<b>(26.344)</b>	<b>(24.645)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(11.591)</b>	<b>(4.475)</b>	<b>(9.255)</b>	<b>(3.061)</b>
Cash and cash equivalents at the beginning of the year		166.848	204.142	159.288	199.962
<b>Exchange gains / (losses) on cash and cash equivalents</b>		<b>(228)</b>	<b>411</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>155.029</b>	<b>200.078</b>	<b>150.033</b>	<b>196.901</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### 1 General information

Eurobank Properties Real Estate Investment Company (the “Company”) and its subsidiaries (together the “Group”) is an investment property group with a major portfolio in Greece and an expanding portfolio in Central and Eastern Europe (“CEE”). It is currently involved in leasing out investment property under operating leases and is classified as a real estate investment vehicle under Greek Law 2778/1999 with effect from 29 September 2005.

The Company is incorporated and domiciled in Maroussi, Athens, Greece. The address of its registered office is Kifisias Avenue 117 & Ag. Konstantinou, Maroussi, Athens, Greece (Reg. n. 365/06/B/86/2) and is listed in the Athens Stock Exchange.

The total number of employees as at the end of the period was 18 (30/06/2009: 16)

These Condensed Consolidated and Company Interim Financial Information for the six month period ended 30 June 2010 have been approved for issue by the Board of Directors on July 28, 2010.

### 2 Summary of significant accounting policies

These Condensed Consolidated and Company Interim Financial Statements for the period ended 30 June 2010 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2009.

### 3 Accounting Policies

The accounting policies adopted in the preparation of the Condensed Consolidated and Company Interim Financial Statements for the period ended 30 June 2010 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009.

Rental Income is not subject to seasonality.

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

Standards and Interpretations effective for the current financial period / year

#### **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”**

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Group has applied the revised and amended standards from 1 January 2010.

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### **IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” – additional exemptions**

This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment does not have an impact on the Group's financial statements since it has already adopted IFRSs.

### **IFRS 2 (Amendment) “Share-based Payment”**

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment does not have an impact on the Group's financial statements.

### **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”**

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

### **IFRIC 12 – Service Concession Arrangements** (EU endorsed for periods beginning on or after 30 March 2009)

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

### **IFRIC 15 - Agreements for the construction of real estate** (EU endorsed for use from 1 January 2010)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

### **IFRIC 16 - Hedges of a net investment in a foreign operation** (EU endorsed for use from 1 July 2009)

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

### **IFRIC 17 “Distributions of non-cash assets to owners”**

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This interpretation does not have an impact on the Group's financial statements.

### **IFRIC 18 “Transfers of assets from customers”** (EU-endorsed for use annual periods beginning on or after 31 October 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

### Amendments to standards that form part of the IASB's 2009 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 of the results of the IASB's annual improvements project. The following amendments are effective for the current financial period / year. In addition, unless otherwise stated, the following amendments do not have a material impact on the Group's financial statements.

#### **IFRS 2 "Share-Based payment"**

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

#### **IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"**

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

#### **IFRS 8 "Operating Segments"**

The amendment provides clarifications on the disclosure of information about segment assets.

#### **IAS 1 "Presentation of Financial Statements"**

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

#### **IAS 7 "Statement of Cash Flows"**

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

#### **IAS 17 "Leases"**

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

#### **IAS 18 "Revenue"**

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

#### **IAS 36 "Impairment of Assets"**

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

#### **IAS 38 "Intangible Assets"**

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated  
markets.

### **IAS 39 “Financial Instruments: Recognition and Measurement”**

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

### **IFRIC 9 “Reassessment of Embedded Derivatives”**

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

### **IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”**

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

### Standards and Interpretations effective from 1 January 2011

#### **IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)**

IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

#### **IAS 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)**

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date. This amendment has not yet been endorsed by the EU.

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### **IAS 32 (Amendment) “Financial Instruments: Presentation”** (effective for annual periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group's financial statements.

### **IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” – financial instrument disclosures** (effective for annual periods beginning on or after 1 July 2010)

This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7 regarding comparative information for the new three-level fair value classification disclosures. This amendment will not impact the Group's financial statements since it has already adopted IFRSs.

### **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”** (effective for annual periods beginning on or after 1 July 2010)

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

### **IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”** (effective for annual periods beginning on or after 1 January 2011)

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

### Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2011. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

### **IFRS 1 “First-time adoption of International Financial Reporting Standards”**

The amendments relate to: (i) additional disclosure requirements if an entity changes its accounting policies or its use of IFRS 1 exemptions after it has published a set of IAS 34 interim financial information; (ii) exemptions when the revaluation basis is used for the purposes of 'deemed cost'; and (iii) exemptions for entities that are subject to rate regulation to use previous GAAP carrying amounts for property, plant and equipment or intangible assets as 'deemed cost'.

### **IFRS 3 “Business Combinations”**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### IFRS 7 “Financial Instruments: Disclosures”

The amendments include multiple clarifications related to the disclosure of financial instruments.

### IAS 1 “Presentation of Financial Statements”

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

### IAS 27 “Consolidated and Separate Financial Statements”

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

### IAS 34 “Interim Financial Reporting”

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

## 4 Segment Information

α) Primary reporting format – business segments

For the period ended 30 June 2010:

	Offices	Logistics	Retail	Mixed use	Group
<b>REVENUE</b>					
Rental revenue	11.199	2.316	4.631	3.393	21.539
Service charges	490	-	22	-	512
Gain from disposal of investment property	-	-	-	240	240
<b>Total</b>	<b>11.689</b>	<b>2.316</b>	<b>4.653</b>	<b>3.633</b>	<b>22.291</b>
<b>RESULTS</b>					
Net gain / (loss) from fair value adjustments	(10.276)	(1.318)	(3.167)	(4.066)	(18.827)
Other direct property relating expenses	(988)	(75)	(192)	(172)	(1.427)
Management fee	(297)	(57)	(118)	(92)	(564)
Finance costs	(831)	(39)	(152)	(40)	(1.062)
<b>Revenue/(loss) relating to investment property</b>	<b>(703)</b>	<b>827</b>	<b>1.024</b>	<b>(737)</b>	<b>411</b>
<b>Reconciliation of net profit for the period</b>					
Revenue relating to investment property					411
Interest income					2.798
Other expenses					(1.448)
Other income					29
Income tax					(5.104)
<b>Net loss for the period</b>					<b>(3.314)</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

For the period ended 30 June 2009:

	Offices	Logistics	Retail	Mixed use	Group
<b>REVENUE</b>					
Rental revenue	10.895	2.282	2.814	3.908	19.899
Service charges	447	-	11	-	458
Gain from disposal of investment property	720	-	-	-	720
<b>Total</b>	<b>12.062</b>	<b>2.282</b>	<b>2.825</b>	<b>3.908</b>	<b>21.078</b>
<b>RESULTS</b>					
Net gain / (loss) from fair value adjustments	4.847	1.361	(1.102)	786	5.892
Other direct property relating expenses	(913)	(143)	(109)	(175)	(1.340)
Management fee	(287)	(74)	(70)	(115)	(546)
Finance costs	(1.793)	(28)	(207)	(96)	(2.124)
<b>Revenue relating to investment property</b>	<b>13.916</b>	<b>3.398</b>	<b>1.337</b>	<b>4.309</b>	<b>22.960</b>
<b>Reconciliation of net profit for the period</b>					
Revenue relating to investment property					22.960
Interest income					5.410
Other expenses					(1.483)
Other income					510
Income tax					(1.468)
<b>Net profit for the period</b>					<b>25.929</b>

For the three month period ended 30 June 2010

	Offices	Logistics	Retail	Mixed use	Group
<b>REVENUE</b>					
Rental revenue	5.751	1.159	2.325	1.594	10.829
Service charges	365	-	13	(20)	358
Gain from disposal of investment property	-	-	-	-	-
<b>Total</b>	<b>6.116</b>	<b>1.159</b>	<b>2.338</b>	<b>1.574</b>	<b>11.187</b>
<b>RESULTS</b>					
Net gain / (loss) from fair value adjustments	(10.276)	(1.318)	(3.167)	(4.066)	(18.827)
Other direct property relating expenses	(619)	(17)	(131)	(104)	(871)
Management fee	(150)	(5)	(75)	(49)	(279)
Finance costs	(506)	(24)	(77)	(23)	(630)
<b>Revenue/(loss) relating to investment property</b>	<b>(5.435)</b>	<b>(205)</b>	<b>(1.112)</b>	<b>(2.668)</b>	<b>(9.420)</b>
<b>Reconciliation of net profit for the period</b>					
Revenue relating to investment property					(9.420)
Interest income					1.613
Other expenses					(541)
Other income					14
Income tax					(4.799)
<b>Net loss for the period</b>					<b>(13.133)</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

For the three month period ended 30 June 2009

	Offices	Logistics	Retail	Mixed use	Group
<b>REVENUE</b>					
Rental revenue	5.358	1.141	1.384	1.913	9.796
Service charges	305	-	9	(21)	294
Gain from disposal of investment property	680	-	-	-	680
<b>Total</b>	<b>6.343</b>	<b>1.141</b>	<b>1.393</b>	<b>1.892</b>	<b>10.770</b>
<b>RESULTS</b>					
Net gain / (loss) from fair value adjustments	2.955	886	(1.005)	721	3.557
Other direct property relating expenses	(508)	(72)	1	(11)	(590)
Management fee	(153)	(45)	(33)	(67)	(298)
Finance costs	(878)	(3)	(86)	(51)	(1.018)
<b>Revenue relating to investment property</b>	<b>7.759</b>	<b>1.907</b>	<b>270</b>	<b>2.483</b>	<b>12.421</b>
<b>Reconciliation of net profit for the period</b>					
Revenue relating to investment property					12.421
Interest income					1.901
Other expenses					(932)
Other income					503
Income tax					(828)
<b>Net profit for the period</b>					<b>13.065</b>

Segment information for the period ended 30 June 2009 has been adjusted so as to follow IFRS 8 which as of 1 January 2009 supersedes IAS 14.

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### 5 Investment Property

	Group	
	30/06/2010	31/12/2009
At the beginning of the period	669.000	578.289
Additions:		
- Direct acquisitions of investment property	1.200	50.740
- Acquisitions of subsidiaries other than through business combinations	-	37.060
- Subsequent capital expenditure on investment property	618	7.912
Transfer from property, plant and equipment upon adoption of IAS 40	-	3.017
Transfer from property, plant and equipment – own use	-	869
Transfer to property, plant and equipment – own use	-	(1.501)
Capitalized finance costs (note 10)	387	-
Disposal	(3.710)	(11.919)
Net gain / (loss) from fair value adjustments on investment property	(18.827)	4.533
<b>At the end of the period</b>	<b>648.668</b>	<b>669.000</b>

Year ended 31 December	Company	
	30/06/2010	31/12/2009
At the beginning of the period	513.822	462.840
Additions:		
- Direct acquisitions of investment property	1.200	50.740
- Subsequent capital expenditure on investment property	47	302
Transfer from property, plant and equipment upon adoption of IAS 40	-	3.017
Transfer from property, plant and equipment – own use	-	869
Transfer to property, plant and equipment – own use	-	(1.501)
Disposal	(3.710)	(11.919)
Net gain / (loss) from fair value adjustments on investment property	(10.420)	9.474
<b>At the end of the period</b>	<b>500.939</b>	<b>513.822</b>

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed by the Greek Body of Sworn-In Valuers of Greece (“SOE”) for 30 June and 31 December each year. Valuations are based primarily on discounted cash flow projections due to the absence of sufficient current prices for an active market.

On February 23<sup>rd</sup> the Company concluded the sale of a property located in, 22 Ionos Dragoumi Street, Thessaloniki. The said asset is a whole building with basement, ground floor and three floors, with total surface of 1.166,99sqm. The price for the property was agreed at €3.950. The market value, valued on 31/12/09, was €3.710. Realized profit from the sale of the property of €240 has been recognized in the income statement of the period.

On April 30<sup>th</sup> the Company completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company has acquired the ground floor along with its auxiliary spaces totalling 385 sqm and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1.214 ( including notaries and lawyers fees of €14).The fair value of the property as evaluated by the Body of Sworn - In Valuers of Greece (SOE) is €1.300

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### 6 Investment in Subsidiaries

	<u>Country of incorporation</u>	<u>% of interest</u>	<b>Investment in subsidiaries</b>		<b>Unaudited Tax fiscal years</b>
			<b>30/06/2010</b>	<b>31/12/2009</b>	
Reco Real Property A.D.	Serbia	100%	18.339	18.339	2007-2009
Eliade Tower S.A.	Romania	99,99%	11.805	11.805	2006-2009
Retail Development S.A.)	Romania	99,99%	4.561	4.561	2007-2009
Kalampokis Tours & Cargo S.A.	Greece	100%	3.917	3.917	2007-2009
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2009
Tavros Protypi Anaptyxi S.A.	Greece	99,99%	9.674	9.660	2007-2009
			<b>69.782</b>	<b>69.768</b>	

For the six month period ended 30 June 2010 the company did not proceed in new investments in subsidiaries.

### 7 Trade and other receivables

The analysis of trade and other receivables is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2010</b>	<b>31/12/2009</b>	<b>30/06/2010</b>	<b>31/12/2009</b>
Trade receivables	1.140	1.590	706	1.071
Receivables from related parties (Note 19)	950	334	3.519	3.918
Other receivables	2.610	3.289	2.193	2.213
<b>Current portion</b>	<b>4.700</b>	<b>5.213</b>	<b>6.418</b>	<b>7.202</b>

Receivables from related parties as at 30 June 2010 include shareholders loans of €2.238 and €911 by the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A., respectively.

Group trade receivables as at 30 June 2010 includes a cumulative provision for bad debts amounting to €775 out of which €100 was recorded in the current period.

### 8 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2010</b>	<b>31/12/2009</b>	<b>30/06/2010</b>	<b>31/12/2009</b>
Cash in hand	3	2	-	1
Cash at bank and short term deposits	155.026	166.846	150.033	159.287
	<b>155.029</b>	<b>166.848</b>	<b>150.033</b>	<b>159.288</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### 9 Share Capital

The analysis and movement of the share capital and the share premium is as follows:

	Number of shares (thousands)	Share capital	Share premium	Total
<b>At 1 January 2009</b>	<b>61.000</b>	<b>129.930</b>	<b>466.749</b>	<b>596.679</b>
Acquisition of own shares	(173)	(369)	(836)	(1.205)
<b>At 30 June 2009</b>	<b>60.827</b>	<b>129.561</b>	<b>465.913</b>	<b>595.474</b>
<b>At 1 January 2010</b>	<b>60.652</b>	<b>129.188</b>	<b>464.914</b>	<b>594.102</b>
Acquisition of own shares	(134)	(286)	(557)	(843)
<b>At 30 June 2010</b>	<b>60.518</b>	<b>128.902</b>	<b>464.357</b>	<b>593.259</b>

The total authorised number of ordinary shares is 61.000 (30 June 2009 – 61.000 thousands) with a par value of €2.13 per share. All shares are fully paid up. All shares are listed in the Athens Stock Exchange (category of high capitalization). The Company shares are ordinary shares with voting right.

The Company in the first semester of 2010 purchased 134.274 treasury shares with a total cost of €843 and average price €6,28 per share, according to the Annual Shareholders Meeting at March 16, 2009 which approved the purchase of treasury shares up to 2% on the total amount of shares at a maximum price of €9 and a minimum price of €2,13, in accordance with article 16 par.5-13 and Law 2190/1920 before the amendment of Law 3604/2007. As of June 30, 2010 the Company owned 482.634 treasury shares with a total cost of €3.420 and average price of €7,09 per share.

### 10 Borrowings including obligations under finance leases

All borrowings are at 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.

Movement in borrowings is analysed as follows:

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
<b>Non-current</b>				
Bank borrowings	76.003	76.982	-	-
Finance lease obligations	19.312	20.463	19.312	20.463
<b>Total non-current borrowings</b>	<b>95.315</b>	<b>97.445</b>	<b>19.312</b>	<b>20.463</b>
<b>Current</b>				
Bank borrowings	1.680	1.814	-	-
Finance lease obligations	2.257	2.202	2.257	2.202
<b>Total current borrowings</b>	<b>3.937</b>	<b>4.016</b>	<b>2.257</b>	<b>2.202</b>
<b>Total borrowings</b>	<b>99.252</b>	<b>101.461</b>	<b>21.569</b>	<b>22.665</b>

According to IAS 23 «Borrowing Costs» the Group for the period ended 30 June 2010 has capitalized interest expense of €387 relating to property under construction of the subsidiary “Tavros Protypi Anaptyxi S.A.”

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated  
undertaken by the tenant. Rental revenue began June 01,2010.

### 11 Trade and other payables

The analysis of trade and other payables is as follows:

	Όμιλος		Εταιρεία	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Trade payables	412	3.769	239	423
Other payables and accruals	5.603	6.181	3.746	5.023
Amounts due to related parties (Note 16)	2.342	2.374	2.271	2.112
	<b>8.357</b>	<b>12.324</b>	<b>6.256</b>	<b>7.558</b>

The Company for the period ended June 30, 2010 has received rental guarantees amounting to €3.102.

### 12 Income Tax Expenses

	Group		Company	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Current income tax	804	1.468	732	1.468
Extraordinary tax	4.375	-	4.375	-
Discount on tax payable due to one off payment	(75)	-	(75)	-
	<b>5.104</b>	<b>1.468</b>	<b>5.032</b>	<b>1.468</b>

The Company is exempted from corporate income tax under Greek REIC legislation and is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1% (The taxation formula is as follows: 10% \* (ECB reference rate + 1%)). The above tax is final and relieves the Company and its shareholders any further tax liabilities. The income tax for the Group and the Company amounts to €5.104 In addition, the Company has recognised in the income statement an amount of €4.375 of extraordinary taxes from the imposition of the extraordinary tax on profits of 2009 according to Law 3845/2010.

The Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 10% (Serbia) and 16% (Romania), applicable to each respective tax jurisdiction. No significant foreign income tax expense was incurred for the period ended June 30,2010.

### 13 Dividends per Share

Dividend are not recorded if they have not been approved by the Annual Shareholders Meeting.

On March 22, 2010, the Company's shareholders approved the payment of dividend for the year 2009 of €33.550 including the interim dividend paid in December 2009 amounting to €9.150. As of June 30, 2010 the total dividend paid to the shareholders amounted to € 33.550 .

### 14 Earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

	Six month period ended		Three month period ended	
	30/6/2010	30/6/2009	30/6/2010	30/6/2009
Profit attributable to equity holders of the Company	(3.314)	25.929	(13.133)	13.065
Weighted average number of ordinary shares in issue (thousands)	60.594	60.946	60.628	60.895
<b>Basic earnings per share (€ per share)</b>	<b>(0,05)</b>	<b>0,43</b>	<b>(0,22)</b>	<b>0,21</b>

There were no dilutive potential ordinary shares. Therefore, the dilutive earnings per share is the same as the basic earnings per share for all periods presented.

### 15 Contingent Liabilities

The Company has not been subject to tax audit for the years ended December 31, 2009 and December 31, 2008. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax year.

The tax authorities issued final tax assessments for both the Company and Eldepa during November 2005 for additional income taxes, VAT and penalties totalling €3.320 for the open tax years to December 31, 2004. The Company's management, based on the advice of its legal advisors, disputes additional assessments of incomes taxes, VAT and penalties totalling €2.874 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation, whilst other amounts assessed totalling €446 were accepted and fully settled. The Company's management believes that no provision for the later amounts finally assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise.

### 16 Related party Transactions

The Company is controlled by EFG Eurobank Ergasias (incorporated in Athens and listed on the Athens Stock Exchange, Greece), which owns 55,54% of the Company's shares. A further 14,76% of the Company's shares are held by Lamda Development S.A., a Company related to Latsis Group. According to the information by the EFG Group on August 11, 2009 after the Group restructuring of August 6, 2009, Private Financial Holdings Limited (PFH) has become the ultimate parent company of the Bank holding 44,81% of the Bank's share capital through 100% controlling subsidiaries of the Company.

Both before and after the restructuring of the EFG Group, all the voting of the ultimate parent company (that is EFG Bank European Financial Group before or Private Financial Holdings Limited after) are held directly and /or indirectly by the Latsis family.

The following transactions were carried out with related parties:

a) Rental income received and sale of services – Group and Company

	Six month period ended		Three month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Rental income received</b>				
Parent (EFG Eurobank Ergasias S.A.)	5.549	5.733	2.832	2.815
Subsidiaries of parent company	2.393	3.245	1.002	1.959
	<b>7.942</b>	<b>8.978</b>	<b>3.834</b>	<b>4.774</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### b) Purchase of services

#### Group

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Management fees</b>				
Subsidiary of parent company (Eurobank Property Services)	(564)	(546)	(279)	(298)
<b>Valuations and Brokerage Fees</b>				
Subsidiary of parent company (Eurobank Property Services)	-	(297)	-	(198)
	<b>(564)</b>	<b>(843)</b>	<b>(279)</b>	<b>(496)</b>

#### Company

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Management fees</b>				
Subsidiary of parent company (Eurobank Property Services)	(439)	(398)	(224)	(197)
<b>Valuations and Brokerage Fees</b>				
Subsidiary of parent company (Eurobank Property Services)	-	(297)	-	(198)
	<b>(439)</b>	<b>(695)</b>	<b>(224)</b>	<b>(395)</b>

### c) Financing incurred on borrowings

#### Group

	Six month period ended		Three-month period ended	
	30/06/2010	30/6/2009	30/06/2010	30/6/2009
<b>Bank Borrowings</b>				
Parent (EFG Eurobank Ergasias S.A.)	(237)	(29)	(125)	(4)
Subsidiary of Parent Company ((Eurobank EFG Stedionica A.D., Beograd)	(39)	(95)	(22)	(46)
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	(332)	(851)	(216)	(375)
Subsidiary of parent company (SC Bancpost S.A)	-	(201)	-	(81)
<b>Finance Leases</b>				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(204)	(541)	(110)	(222)
	<b>(812)</b>	<b>(1.717)</b>	<b>(473)</b>	<b>(728)</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### Company

	Six month period ended		Three-month period ended	
	30/06/2010	30/6/2009	30/06/2010	30/6/2009
<b>Finance Leases</b>				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(204)	(541)	(110)	(222)
	<b>(204)</b>	<b>(541)</b>	<b>(110)</b>	<b>(222)</b>

d) Interest income earned on cash and cash equivalents

### Group

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Parent (EFG Eurobank Ergasias S.A.)	2.086	4.418	1.116	1.564
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	22	17	20	3
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	-	2	-	2
Subsidiary of parent company (SC Bancpost S.A)	14	12	9	12
	<b>2.122</b>	<b>4.449</b>	<b>1.145</b>	<b>1.581</b>

### Company

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Parent (EFG Eurobank Ergasias S.A.)	2.086	4.418	1.116	1.564
	<b>2.086</b>	<b>4.418</b>	<b>1.116</b>	<b>1.564</b>

e) Transfers under financing arrangements:

### Group

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Net cash transfers in/(out) under financing arrangements</b>				
Subsidiary of parent company (EFG New Europe Funding BV)	-	(800)	-	(800)
Subsidiary of parent company (Bancpost S.A.)	-	(390)	-	(390)
Subsidiary of parent company (Eurobank EFG Private Bank Luxemburg SA)	(1.108)	4.000	(698)	2.276
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(987)	(910)	(493)	(463)
	<b>(2.095)</b>	<b>1.900</b>	<b>(1.191)</b>	<b>623</b>

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### Company

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
<b>Net cash transfers in/(out) under financing arrangements</b>				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(987)	(910)	(493)	(463)
	<b>(987)</b>	<b>(910)</b>	<b>(493)</b>	<b>(463)</b>

### f) Key management compensation – Group and Company

	Six month period ended		Three-month period ended	
	30/06/2010	30/06/2009	30/06/2010	30/6/2009
Salaries and other short-term employee benefits	236	284	117	142

## Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

### g) Period-end balances arising from transactions with related parties

	Group		Company	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Trade receivables from related parties				
Parent (EFG Eurobank Ergasias S.A.)	6	-	6	-
Subsidiaries	-	-	3.149	3.673
Other related parties	944	334	364	245
	<b>950</b>	<b>334</b>	<b>3.519</b>	<b>3.918</b>
Trade payables to related parties				
Parent (EFG Eurobank Ergasias S.A.)	1.601	1.577	1.601	1.577
Other related parties	741	797	670	535
	<b>2.342</b>	<b>2.374</b>	<b>2.271</b>	<b>2.112</b>
Borrowings, including finance lease obligations				
Parent (EFG Eurobank Ergasias S.A.)	1.700	1.700	-	-
Subsidiary of Parent Company (Bancpost S.A.)	-	267	-	-
Subsidiary of Parent Company (EFG New Europe Funding BV)	3.830	3.830	-	-
Subsidiary of Parent Company (Eurobank EFG Private Bank Luxemburg SA)	35.232	35.652	-	-
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	19.148	20.148	19.162	20.148
	<b>59.910</b>	<b>61.597</b>	<b>19.162</b>	<b>20.148</b>
Cash and cash equivalents				
Parent (EFG Eurobank Ergasias S.A.)	14.560	61.452	13.894	60.969
Subsidiary of Parent Company (Bancpost S.A.)	1.253	1.806	-	-
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1.551	1.202	-	-
	<b>17.364</b>	<b>64.460</b>	<b>13.894</b>	<b>60.696</b>

### h) Commitments and contingent liabilities

There are no commitments and contingent liabilities between the Company and related parties.

## 17 Events after the balance sheet date

On July 21<sup>st</sup> 2010 the Ministry of Economy, Competitiveness and the Marine approved the merger by absorption of the company “ Kalambokis Tours & Cargo SA” by “Eurobank Properties REIC.

On July 23<sup>rd</sup> July 2010 the Company concluded the sale of a property located in, 9 Dimokratias Square, Agrinio. The price for the property was agreed at €900. The realized profit from the sale of the asset is €617. From this amount the €585 have already been included in the financial results of the Company as fair value gain during the holding period of the property and the amount of €33 will appear at the financial results of the third quarter of 2010.



**Eurobank Properties REIC**

Register No. 365/06/B/86/2, Capital Market Commission Decision Number 11/352/21.9.2005 - 117 Kiffissias Avenue, Maroussi, TK 15124

**Summary financial data and information for the period ended 30 June 2010**  
According to Capital Markets Commission Decision 4/507/28.04.2009 of the Board of Directors

The financial information listed below, extracted from the financial statements, aims to provide a general awareness about the financial position and the financial results of the Company Eurobank Properties REIC. Consequently, it is recommended to the reader, before any investment decision or transaction is performed with the Company, to visit the website of the Company where the full financial statements are available, including the legal auditors opinion when required.

**COMPANY'S DATA**

**Authority in charge:** Ministry of Development  
**Registered office:** 117 Kiffissias Avenue, Maroussi, TK 15124  
**Κύρια Δραστηριότητα:** Real Estate Investment Company  
**Register No.:** 365/06/B/86/2  
**Capital Market Commission Decision Number:** 11/352/21.9.2005  
**Date of approval of the three months interim financial statements (from which summary data were compiled):** 28/07/2010  
**Certified Auditor Accountant:** Marios Psaltis  
**Audit Firm:** PricewaterhouseCoopers S.A.  
**Audit Opinion:** Unqualified  
**Company's website:** <http://www.eurobankproperties.gr>

**Board of Directors:**  
 Nikolaos A. Bertzos Chairman-Executive Member  
 Odysseas Athanassiou Vice Chairman- Non Executive Member  
 George Chryssikos Executive Member  
 Nikolaos Galetas Vice Chairman B'-Independent Non Executive Member  
 Feorgios Katsimbris Independent Non Executive Member  
 Vasillios Vafeiadis Independent Non Executive Member

Statement of Financial Position as at 30 June 2010			
Amounts in Euro thousand			
Company		Group	
30.06.2010	31.12.2009	30.06.2010	31.12.2009
<b>ASSETS</b>			
500.939	513.822	648.668	669.000
1.726	1.732	1.726	1.734
-	-	-	-
69.782	69.788	-	-
-	-	335	335
-	-	691	709
-	-	-	-
<b>572.447</b>	<b>585.322</b>	<b>651.420</b>	<b>671.778</b>
706	1.071	1.140	1.590
5.712	6.131	3.560	3.623
150.033	159.288	155.029	166.848
<b>156.451</b>	<b>166.490</b>	<b>159.729</b>	<b>172.061</b>
<b>728.898</b>	<b>751.812</b>	<b>811.149</b>	<b>843.839</b>
<b>SHAREHOLDERS' EQUITY</b>			
128.902	129.188	128.902	129.188
464.357	464.914	464.357	464.914
9.124	9.124	10.027	9.893
93.468	114.955	94.826	122.449
<b>695.851</b>	<b>718.181</b>	<b>698.112</b>	<b>726.444</b>
<b>LIABILITIES</b>			
115	145	115	145
19.311	20.463	95.315	97.445
<b>19.311</b>	<b>20.463</b>	<b>95.315</b>	<b>97.445</b>
6.257	7.558	8.357	12.324
-	-	-	29
5.107	3.234	5.313	3.436
2.257	2.202	3.937	4.016
<b>13.621</b>	<b>13.023</b>	<b>17.607</b>	<b>19.805</b>
<b>33.047</b>	<b>33.631</b>	<b>113.037</b>	<b>117.395</b>
<b>728.898</b>	<b>751.812</b>	<b>811.149</b>	<b>843.839</b>

STATEMENT OF CHANGES IN EQUITY			
Amounts in Euro thousand			
Company		Group	
30.06.2010	30.06.2009	30.06.2010	30.06.2009
- Balance at the beginning of the period (01.01.2010 and 01.01.2009 respectively)			
718.181	711.564	726.444	720.407
2.916	25.594	-3.086	25.517
-843	-1.205	-843	-1.205
-24.403	-22.570	-24.403	-22.570
<b>695.851</b>	<b>713.383</b>	<b>698.112</b>	<b>722.149</b>

Statement of comprehensive income for the period ended 30 June 2010							
Amounts in Euro thousand							
Company				Group			
Current period		Comparative Period		Current Period		Comparative Period	
Continuing Operations		Continuing Operations		Continuing Operations		Continuing Operations	
1.1-30.06.2010	1.1-30.06.2009	1.4-30.06.2010	1.4-30.06.2009	1.1-30.06.2010	1.1-30.06.2009	1.4-30.06.2010	1.4-30.06.2009
17.627	16.135	8.854	8.107	22.051	20.358	11.187	10.090
-10.420	6.971	-10.420	3.690	-18.827	5.892	-18.827	3.557
240	720	0	680	240	720	-	680
-1.023	-1.265	-445	-648	-2.112	-2.020	-1.172	-996
<b>6.424</b>	<b>22.561</b>	<b>-2.011</b>	<b>11.829</b>	<b>1.352</b>	<b>24.950</b>	<b>-8.812</b>	<b>13.331</b>
<b>5.411</b>	<b>22.224</b>	<b>-2.427</b>	<b>11.886</b>	<b>54</b>	<b>24.111</b>	<b>-9.317</b>	<b>13.010</b>
<b>7.948</b>	<b>27.062</b>	<b>-950</b>	<b>13.553</b>	<b>1.790</b>	<b>27.397</b>	<b>-8.334</b>	<b>13.893</b>
<b>2.916</b>	<b>25.594</b>	<b>-5.689</b>	<b>12.705</b>	<b>-3.314</b>	<b>25.929</b>	<b>-13.133</b>	<b>13.065</b>
2.916	25.594	-5.689	12.705	-3.314	25.929	-13.133	13.065
2.916	25.594	-5.689	12.705	-3.086	25.518	-13.133	13.065
-	-	-	-	-	-	-	-
0.0481	0.4199	-0.0938	0.2086	-0.0509	0.4187	-0.2166	0.2145
<b>5.438</b>	<b>22.245</b>	<b>-2.412</b>	<b>11.897</b>	<b>81</b>	<b>24.132</b>	<b>-9.302</b>	<b>13.021</b>

CASH FLOW STATEMENT			
Amounts in Euro thousand			
Company		Group	
1.1-30.06.2010	1.1-30.06.2009	1.1-30.06.2010	1.1-30.06.2009
7.948	27.062	1.790	27.397
-	-	-	-
27	21	27	21
10.420	-6.971	18.827	-5.892
-29	-504	-29	-510
-	-	-228	412
-2.762	-5.379	-2.798	-5.410
225	541	1.062	2.124
784	-231	513	-2.640
-1.390	-3.676	-3.863	-3.121
-211	-2.277	-833	-2.360
-3.159	-549	-3.211	-2.124
<b>11.853</b>	<b>8.037</b>	<b>11.257</b>	<b>7.897</b>
-47	-77	-940	-3.238
-1.200	-4.062	-1.200	-4.062
3.950	12.640	3.950	12.640
-	-	-	-
-	-	-	-
2.533	5.046	2.569	5.409
5.236	13.547	4.379	10.749
-843	-1.205	-843	-1.205
-	-	-	2.200
-1.098	-870	-1.111	-265
-24.403	-22.570	-1.098	-870
-26.344	-24.645	-24.403	-22.570
<b>-9.255</b>	<b>-3.061</b>	<b>-27.455</b>	<b>-22.710</b>
159.288	199.962	-11.819	-4.064
150.033	196.901	166.848	204.142
		155.029	200.078

**Additional data and information (amounts in Euro thousand):**  
 1. The Company has been audited by tax authorities up to 2007. For further information refer to Note 12 on the Condensed Consolidated and Company Financial Statements  
 2. The Company's financial statements are included in the consolidated financial statements of EFG Eurobank Ergasias S.A. (registered offices in Greece), which owns 55,54% of the Company's ordinary shares, by the full consolidation method.  
 3. The fixed assets of the Company are free of charges and encumbrances. A first rate mortgage of €11.839 has been registered in favour of Bancpost SA over a property of Eliade Tower S.A. (subsidiary), located at 18 Mircea Eliade Street, sector 1, Bucharest, Romania. Moreover, a first rate mortgage of €3.810 thousand has been registered in favour of Eurobank EFG AD Beograd over a property of Reco Real Property A.D. (subsidiary) located at 7-9 Terazije Street, Belgrade, Serbia. A first rate mortgage of €9.497 in favour of Banca Romanenska over a property of Retail Development SA. (subsidiary), located in Iasi, Romania. A first rate mortgage of €27.073 in favour of Eurobank EFG Luxembourg over the property of Seferco Development S.A. (subsidiary), located at Dimitrie Pompeiu Bd, Bucharest, Romania. A first rate mortgage of €27.315 in favour of Piraeus Bank over the property of Tavros Protopy Anaptixi SA(subsidiary), located in Athens, Greece.  
 4. The tax authorities issued final tax assessments for both the Company and ELDEPA during November 2005 for additional income taxes, VAT and penalties totalling €3.320 for the open tax years up to 31.12.2004. The Company's management, based on the advice of its legal advisors, has disputed additional assessments of income taxes, VAT and penalties totalling €2.874 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. No provisions for the later amounts finally assessed by the tax authorities is necessary since the Management of the Company does not anticipate any significant liabilities to arise. Except from the above, no other legal disputes or court decisions exist.  
 5. The total number of employees at period end was 18 (30/06/2009: 16).  
 6. As of June 30, 2010 the Company has accounted for a cumulative provision of a) Difference under dispute €0, b) unaudited tax years €0, c) other provisions €775.  
 7. The related party transactions of the Group are as follows: a) Revenues € 10.064 b) Expenses € 1.376 c) Receivables € 18.314 d) Payables € 62.252 The related party transactions of the Company are as follows: a) Revenues € 7.635 b) Expenses € 643 c) Receivables € 17.413, d) Payables € 21.433. Key management compensation, both for the Group and the Company, is the following: a) Salaries and other short-term employee benefits 236, b) Receivables €0 and c) Payables €0.  
 8. Total comprehensive income for the period ended amounts to € 228 thousand and relates to exchange rate differences.  
 9. As of 30 June 2010 the Company has acquired 482.634 own shares, at the total value of €3.420 and at an average price of € 7,09 per share (note 9).

Maroussi 28 July 2010

The Chairman of the BoD	The General Manager Executive Member of the BoD	Chief Financial Officer	Chief Accountant
Nikolaos A. Bertzos I.D. No Π 070963	George Chryssikos ID No. N 161578	Stylianos Probonas ID No Z. 722634	Evangolos Tentis PERM. NO 064953

**EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY**  
 Reg. Number 365/06/B/86/2  
 HELLENIC CAPITAL MARKET COMMITTEE DECISION 11/352/21.9.2005  
 REGISTERED OFFICES: KIFISSIAS 117 & AG KOSTANTINOY, MAROUSI, ATHENS, 15124

It is hereby notified, in accordance with decision as of 20.12.2007 of the Athens Stock Exchange, that from the Company's share capital increase by cash to existing shareholders, at a ratio of three new shares for every two shares, which took place on the basis of decisions of the Company's Extraordinary General Assemblies on 03.09.2007 and 15.10.2007, respectively, raised a net capital of €322.745 thousand (total amount of €329.400 thousand less issuing costs of €6.655 thousand). From this share capital increase 36.600.000 new common shares have been issued at an issue price of €9 per share, which were listed for trading on the Athens Exchange on 24.12.2007. The Company's share capital increase was confirmed by the Board of Directors on 13.12.2007. The proceeds from the share capital increase were distributed, in accordance with the Offering Memorandum, until 30.06.2010, as follows:

**TIMESCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE**

Amounts in € thousand	SHARE CAPITAL INCREASE PROCEEDS	Investments				Total Investment 30/06/2010	Remaining balance to be invested
		2007	2008	2009	1st Semester 2010		
Investment in Real Estate Property providing income used as Offices or other Professional or Industrial Purposes	322.745	52.312	45.208	50.647	1.214	149.381	130.224
Refund from final price calculation of "Tavros Prototyli Anaptyxi S.A."				-425	-	-425	
Repayment of Loans		30.000	13.565	-	-	43.565	
<b>Total</b>	<b>322.745</b>	<b>82.312</b>	<b>58.773</b>	<b>50.222</b>	<b>1.214</b>	<b>192.521</b>	<b>130.224</b>

Notes:

- The final amount of net proceeds from the share capital increase amounted to € 322.745 thousand. This amount is greater than the amount reported in the Offering Memorandum by €646 thousand due to share issue costs. The share issue costs amounted to € 6.655 thousand.
- On December 28 2007, the Company entered into a preliminary agreement with third parties to acquire a commercial investment property located in Kiev, Ukraine, for a total purchase consideration of €5,853 thousand. In accordance with the agreement, the Company has paid an advance of €682 thousand. On 15 March 2008 the Company signed the final agreement and paid an amount of €5,062 thousand (including lawyers and notary fees of amount €245) which was financed from the remaining share capital increase proceeds. On 18 January 2008, the Company acquired two retail properties located in Kifissias Avenue from Pasa Development S.A. The company paid an amount of €16,282 thousand, including lawyers and notaries fees of €257 thousand (the amount has been funded from the share capital increase proceeds). On 15 April 2008, the Company acquired a commercial property located in Trikala. The company paid an amount of €3,203 thousand (including lawyers and notaries fees of €53 thousand), which was financed from the share capital increase proceeds. On 8 January 2008, the Company acquired 100% of the shares of Greek company "Kalamokis Tours & Cargo S.A.", owner of a property located Schimatari municipality, Prefecture of Viotia for a price of €5,350 thousand. The company paid an amount of €3,867 thousand, which was the agreed price less liabilities and debt (the amount has been funded from the share capital increase proceeds).
- On June 4th 2008 the company acquired 99% of the Romanian Company "Retail Development S.A." owner of a property in Iasi for a total consideration of €14,500 thousand. The Company paid an amount of €4,152 thousand, which was the agreed price less liabilities and debt (the amount has been funded from the share capital increase proceeds). On 8 August 2007 the Company entered into a preliminary agreement for the acquisition of 99,99% of the share capital of a Romanian Company owner of an office property in Bucharest. On 25 February 2008 the company made a prepayment of €2,263 thousand which was funded from the share capital increase proceeds. Amount of €116 thousand relates to property acquisition costs (lawyers, notaries etc) that the company acquired in 2007. Finally on 27 March 2008 the company prepaid a finance lease for the acquisition of property and paid an amount of €13,565 thousand that was funded from the share capital increase proceeds. For the transfer of the property expenses of €216 thousand were paid.
- On May 7th 2008 the Company signed a promissory contract for the purchase of 100% of the shares of the Greek company "Tavros Prototyli Anaptyxi S.A." from Dimand S.A. According to the promissory contract, the advance payment for the acquisition of "Tavros Prototyli Anaptyxi S.A." shares has been agreed at € 10.000 thousand which was paid on July 1st 2008. The total acquisition price (including the advance) has been agreed at € 50,350 thousand on a liability and debt-free basis.
- On February 2nd 2009 the Company signed a contract for the acquisition of an office use building in a central location of Athens from "ICAP GROUP S.A.". The property is located in the municipality of Athens, at 7 Papadiamantopoulou street, and it consists 1.281,5 sq.m. of office spaces and 238,03 sq.m. supporting use spaces. The acquisition price for the property was €4,000 thousand, which was financed from the proceeds of the company share capital increase of December 2007. The fair value as estimated by the Body of Sworn - In Valuers of Greece (SOE) is €4,034 thousand.
- On September 30 2009, the Company, completed the acquisition of three retail boxes leased to Praktiker Hellas S.A., affiliate of the German multinational Company Praktiker AG. The acquisition price for the three properties was €46,680 thousand and was financed from the proceeds of the company share capital increase of December 2007. The fair values as estimated by the Body of Sworn - In Valuers of Greece (SOE) is €47,400 thousand.
- On December 29 2009, the Company, completed the acquisition of 100% of the share capital of the Greek company "Tavros Prototyli Anaptyxi S.A.". Due to the company's net debt amounting to €27,400 thousand the price to be paid amounted to €9,600 thousand. According to the relevant valuation performed by the Body of Sworn - In Valuers of Greece (SOE) the fair value of the investment property is €39,062 thousand. Amount of €425 thousand was returned upon completion of the agreement in 2009.
- On April 30 2010, the Company completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company has acquired the ground floor along with its auxiliary spaces totalling 385 sqm and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1,214 thousand (including lawyers and notary fees of amount €14 thousand). The fair value of the property as evaluated by the Body of Sworn - In Valuers of Greece (SOE) is €1,300 thousand.
- The remaining balance to be invested of €130,224 thousand has been temporarily invested in short term investment (time deposits) as reported in the condensed consolidated and company financial statements for the year ended 30 June 2010.

Marousi 28 July 2010

THE CHAIRMAN OF THE BOD

THE GENERAL MANAGER

THE CHIEF FINANCIAL OFFICER

NIKOLAOS A. BERTSOS  
I.D. Number Π 070963

GEORGIOS CHRYSSIKOS  
I.D. Number Ν 161578

STYLIANOS PROBOINAS  
I.D. Number Σ 722634

**[Translation from the original text in Greek]**

**Report of factual findings in connection with the 'Report on Usage of Funds'**

To the Board of Directors of Eurobank Properties REIC

We have performed the procedures prescribed and agreed with the Board of Directors of the Eurobank Properties REIC (the Company) and enumerated below with respect to the 'Report on the usage of funds of Eurobank Properties REIC' which relates to the share capital increase paid in cash, during 2007. Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

- We compared the amounts referred to as disbursements in the accompanied 'Report on Usage of Funds from Share Capital Increase paid in cash' with the relevant amounts recorded in the company's books and records in the respective timeframe.
- We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Company's decisions and announcements.

We report our findings below:

- The amounts which appear, per usage or investment type, as disbursements in the accompanied 'Report on Usage of Funds from Share Capital Increase paid in cash and/or bond loan issuance' are derived from the company's books and records in the relevant timeframe.
- The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Company's decisions and announcements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the period from January 1, 2010 to June 30, 2010, for which we have issued a separate review statement, as of July 30, 2010.



PricewaterhouseCoopers SA  
Kifissias 268  
Halandri 15232  
SOEL Reg.No. 113

Halandri, July 30, 2010  
The Chartered Accountant Auditor

Marios Psaltis  
SOEL Reg. No 38081