



**Babis Vovos International Construction S.A.**

Interim Condensed Financial Information for the  
three months ended 31 March 2010 under IAS 34

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## Consolidated statement of financial position

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	5	1,115,285	1,128,340	767,776	778,759
Property, plant and equipment		10,113	10,241	1,575	1,662
Intangible assets		18,901	18,907	16,473	16,479
Investments		18	18	49,451	49,451
Derivative assets		91	466	91	466
Other non-current receivables		574	574	382	382
		<u>1,144,983</u>	<u>1,158,546</u>	<u>835,747</u>	<u>847,198</u>
<b>Current assets</b>					
Inventories		40,202	38,443	41,274	39,515
Trade and other receivables		77,448	76,320	101,901	101,770
Derivative assets		91	233	91	233
Cash and cash equivalents		2,355	4,200	2,000	3,392
		<u>120,096</u>	<u>119,195</u>	<u>145,266</u>	<u>144,910</u>
<b>Total assets</b>		<b><u>1,265,080</u></b>	<b><u>1,277,742</u></b>	<b><u>981,013</u></b>	<b><u>992,108</u></b>
<b>EQUITY</b>					
<b>Capital and reserves attributable the Company's equity holders</b>					
Share capital		10,179	10,179	10,179	10,179
Share premium		36,653	36,653	36,653	36,653
Reserves		23,867	23,867	25,244	25,244
Retained earnings		258,476	261,590	137,665	140,274
		<u>329,174</u>	<u>332,289</u>	<u>209,741</u>	<u>212,350</u>
Minority interest		6,937	6,926	-	-
<b>Total equity</b>		<b><u>336,111</u></b>	<b><u>339,215</u></b>	<b><u>209,741</u></b>	<b><u>212,350</u></b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	6	540,178	552,995	372,733	383,082
Deferred income tax liabilities		67,286	67,555	36,403	36,466
Retirement benefit obligations		2,755	2,687	2,599	2,533
Trade and other payables	7	-	-	53,556	53,452
Derivative liabilities	8	39,888	46,385	39,888	46,385
Lease guarantees		4,113	4,068	2,888	2,848
		<u>654,220</u>	<u>673,690</u>	<u>508,068</u>	<u>524,766</u>
<b>Current liabilities</b>					
Trade and other payables		36,332	36,154	46,633	46,864
Income tax		15,324	15,384	4,220	4,281
Borrowings	6	208,946	201,170	198,746	192,257
Dividend payable		456	456	456	456
Provisions for other liabilities & expenses	9	1,057	1,057	517	517
Derivative liabilities	8	12,634	10,617	12,634	10,617
		<u>274,748</u>	<u>264,837</u>	<u>263,204</u>	<u>254,991</u>
<b>Total liabilities</b>		<b><u>928,969</u></b>	<b><u>938,527</u></b>	<b><u>771,272</u></b>	<b><u>779,758</u></b>
<b>Total equity and liabilities</b>		<b><u>1,265,080</u></b>	<b><u>1,277,742</u></b>	<b><u>981,013</u></b>	<b><u>992,108</u></b>

The notes on pages 7 to 22 are an integral part of this consolidated financial information.

## Consolidated statement of comprehensive income

*Unaudited figures. All amounts in euro thousands*

	Note	Consolidated		Company	
		01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
Revenue	10	22,579	14,366	17,333	9,586
Cost of sales		(14,775)	(8,002)	(12,510)	(6,086)
<b>Gross profit / (loss)</b>		<b>7,804</b>	<b>6,364</b>	<b>4,824</b>	<b>3,500</b>
Net gain / (loss) from fair value adjustment on investment property		(4,914)	(107)	(4,177)	-
Selling and marketing costs		(41)	(63)	(35)	(61)
Administrative expenses		(1,099)	(1,391)	(1,017)	(1,280)
Other gains		79	93	41	68
Other expenses		(77)	(103)	(72)	(94)
<b>Operating profit</b>		<b>1,752</b>	<b>4,794</b>	<b>(436)</b>	<b>2,133</b>
Finance revenue		3,615	4,587	3,615	4,584
Finance expenses		(8,470)	(9,852)	(6,662)	(8,101)
Finance expenses (net)		(4,855)	(5,266)	(3,047)	(3,517)
Gain / (Loss) from investment in GPs		-	-	811	400
<b>Profit / (loss) before income tax</b>		<b>(3,103)</b>	<b>(472)</b>	<b>(2,672)</b>	<b>(984)</b>
Income tax expense		(1)	467	62	798
<b>Profit / (loss) for the year</b>		<b>(3,104)</b>	<b>(5)</b>	<b>(2,609)</b>	<b>(186)</b>
<b>Attributable to:</b>					
Equity holders of the Company		(3,115)	(23)	(2,609)	(186)
Minority interest		11	18	-	-
		<u>(3,104)</u>	<u>(5)</u>	<u>(2,609)</u>	<u>(186)</u>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)</b>					
	12	<u>(0.09)</u>	<u>(0.00)</u>	<u>(0.08)</u>	<u>(0.01)</u>

The notes on pages 7 to 22 are an integral part of this consolidated financial information.

## Consolidated statement of changes in equity

Unaudited figures. All amounts in euro thousands

### Consolidated statement of changes in equity

	Attributable to equity holders of the Group				Minority interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
<b>Balance at 1 January 2009</b>	10,179	36,653	23,838	338,455	6,894	<b>416,019</b>
Profit / (loss) for the period	-	-	-	(23)	18	(5)
<b>Balance at 31 March 2009</b>	10,179	36,653	23,838	338,432	6,912	<b>416,014</b>
Profit / (loss) for the period	-	-	-	(76,813)	14	(76,799)
Transfer to statutory reserve	-	-	29	(29)	-	-
<b>Balance at 31 December 2009</b>	10,179	36,653	23,867	261,590	6,926	<b>339,215</b>
Profit / (loss) for the period	-	-	-	(3,115)	11	(3,104)
<b>Balance at 31 March 2010</b>	10,179	36,653	23,867	258,476	6,937	<b>336,111</b>

### Company Statement of changes in equity

	Attributable to equity holders of the Company				Total equity
	Share capital	Share premium	Other reserves	Retained earnings	
<b>Balance at 1 January 2008</b>	10,179	36,653	25,244	175,868	<b>247,944</b>
Profit / (loss) for the period	-	-	-	(186)	(186)
<b>Balance at 31 March 2009</b>	10,179	36,653	25,244	175,682	<b>247,758</b>
Profit / (loss) for the period	-	-	-	(35,408)	(35,408)
<b>Balance at 31 December 2009</b>	10,179	36,653	25,244	140,274	<b>212,350</b>
Profit / (loss) for the period	-	-	-	(2,609)	(2,609)
<b>Balance at 31 March 2010</b>	10,179	36,653	25,244	137,665	<b>209,741</b>

The notes on pages 7 to 22 are an integral part of this consolidated financial information.

## Consolidated statement of cash flows

*Unaudited figures. All amounts in euro thousands*

	Note	Consolidated		Company	
		01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
<b>Cash flows from operating activities</b>					
Cash generated from operations	13	7,425	4,027	5,575	1,155
Interest paid		(7,051)	(8,895)	(4,960)	(7,518)
Income tax paid		(807)	(1,385)	(390)	(739)
<b>Net cash generated from operating activities</b>		<b>(433)</b>	<b>(6,253)</b>	<b>225</b>	<b>(7,103)</b>
<b>Cash flows from investing activities</b>					
Additions in investment property (acquisitions & development)	5	(753)	(1,403)	(753)	(1,403)
Proceeds from sale of investment property		8,893	707	7,559	-
Interest inflow		1	10		6
<b>Net cash used in investing activities</b>		<b>8,141</b>	<b>(687)</b>	<b>6,807</b>	<b>(1,397)</b>
<b>Cash flows from financing activities</b>					
Inflows / (outflows) - derivatives		(1,252)	4,743	(1,252)	4,743
Borrowings inflows		2,125	28,400	1,425	28,400
Borrowings payback		(10,426)	(31,142)	(8,596)	(28,852)
<b>Net cash used in financing activities</b>		<b>(9,553)</b>	<b>2,001</b>	<b>(8,423)</b>	<b>4,291</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1,845)</b>	<b>(4,938)</b>	<b>(1,392)</b>	<b>(4,209)</b>
Cash and cash equivalents at beginning of the period		4,200	12,858	3,392	11,174
<b>Cash and cash equivalents at end of the period</b>		<b>2,355</b>	<b>7,919</b>	<b>2,000</b>	<b>6,965</b>

The notes on pages 7 to 22 are an integral part of this consolidated financial information.

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## Notes on the interim condensed financial information

### 1 General information

The interim condensed financial information include the financial information of Babis Vovos International Construction S.A (“Company”) as well as the consolidated financial information of the Group which includes financial information of the company and its subsidiaries (together “BVIC” or “Group”) for the three months ended 31 March 2010.

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. Psychiko 154 51, Greece. The Group operates in Greece.

The company website is [www.babisvovos.com](http://www.babisvovos.com).

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

The financial information of the Company and the Group for the three months ended 31 March 2010 has been approved for issue by the Board of Directors on May 28<sup>th</sup>, 2010.

### 2 Basis of preparation

This interim financial information for the Company and the Group refers to the three months ended 31 March 2010. It has been prepared by management in accordance with the International Accounting Standard (“IAS”) 34 - Interim Financial Statements.

The interim consolidated financial information for the three months ended 31 March 2010 was prepared according to the same accounting standards and policies followed for the preparation and presentation of the financial statements for the Company and the Group for the year 2009.

Certain amounts of the previous period data were reclassified so that they are comparable with the respective ones of the current period.

Any differences between these financial statements and the respective amounts in the notes as well as the totals are due to roundings.

The interim financial information should be taken into consideration together with the audited consolidated financial statements for the year ended 31 December 2009 which are published to the Company’s website.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

As indicated in the Consolidated statement of financial position of 31 March 2010, the Group and the company have negative working capital by € 154,652 thousand and € 117,938 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 198,746 thousand.

Company management has started negotiating with the intervening banks regarding the additional extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 63% of the total short term bank loans are referring to, provide the company with the right to extend the repayment schedule up to 31/3/2011. Not taking the loan amounting to € 125 million under consideration, which refers to the under construction project in Votanikos, the Group and the company would have negative working capital by € 29,652

thousand and positive working capital by € 7,062 thousand respectively. It has to be noted, that, in December 2008, when the Council of State decided upon the temporary suspension of the construction work at Votanikos, the company had already in process the negotiations with the banks for an additional credit with the intention of the completion of the construction as well as for the amendment of the maturity date of the total loan (including the additional amount) at a mid – long term period.

The company has secured a grace period up to 30.06.2011 for the repayment of its liabilities to the subsidiary companies “Ergoliptiki – Ktimatiki - Touristiki S.A.”, “Doma S.A.”, “Alteco S.A”, “Elfinko S.A” and “International Palace Hotel S.A.” amounting to € 53,556 thousand. Therefore, these liabilities are indicated as Trade and other payables under non-current liabilities of the Balance Sheet. At 31.12.2009, these liabilities were also indicated as current liabilities.

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

### **3 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 effective for year ended 31 December 2010**

##### **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”** (effective for annual periods beginning on or after 1 July 2009)

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

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

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 will not impact the Group’s financial statements since it has already adopted IFRSs. This amendment has not yet been endorsed by the EU.

##### **IFRS 2 (Amendment) “Share-based Payment”** (effective for annual periods beginning on or after 1 January 2010)

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 is not expected to impact the Group’s financial statements.

**IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”** (effective for annual periods beginning on or after 1 July 2009)

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

**Interpretations effective for year ended 31 December 2010**

**IFRIC 12 – Service Concession Arrangements** (EU endorsed for periods beginning 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 17 “Distributions of non-cash assets to owners”** (effective for annual periods beginning on or after 1 July 2009)

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 is not expected to impact the Group’s financial statements.

**Amendments to standards that form part of the IASB’s 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. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group’s financial statements.

**IFRS 2 “Share-Based payment”** (effective for annual periods beginning on or after 1 July 2009)

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 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”** (effective for annual periods beginning on or after 1 July 2009)

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”** (effective for annual periods beginning on or after 1 July 2009)

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 effective after year ended 31 December 2010**

#### **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.

**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.

#### **Interpretations effective after year ended 31 December 2010**

**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.

## **4 Segment Reporting**

### **Primary reporting format – business segments**

Under the context of the substitution of IAS 14 by IFRS 8 effective from the fiscal year 2009, the Group has reviewed the business segments under the management approach. This review has resulted in the decision that no change in the reporting format of the business segments is required.

The chief operating decision maker of the Group - the Chairman of the BoD – reviews the Group’s internal reporting in order to assess performance and allocate resources.

At March 31<sup>th</sup>, 2010, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

The management assesses the performance of the business segments based on a measure of revenue and adjusted operating profit / loss before the effect of any administrative personnel costs, other administrative costs, impairments, depreciation, other taxes and provisions for litigation and claims. The measure of operating profit / loss is based on the same standards as used for the financial statements. Finance revenue / expenses as well as the income tax expense is reviewed in consolidated basis without assigning it to specific business segments.

The segment results for the period ended 31 March 2010 are as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Revenue	8,893	649	13,037	22,579
<b>Adjusted Operating profit / (loss)</b>	<b>(9)</b>	<b>227</b>	<b>2,686</b>	<b>2,904</b>

The segment results for the period ended 31 March 2009 are as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Revenue	922	372	13,072	14,366
<b>Adjusted Operating profit / (loss)</b>	<b>(144)</b>	<b>151</b>	<b>6,264</b>	<b>6,271</b>

The segment assets at 31 March 2010 are as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>31 March 2010</b>			
	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Total Assets	263,751	1,597	931,028	1,196,375

The segment assets at 31 December 2009 are as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>31 December 2009</b>			
	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Total Assets	261,379	1,332	944,110	1,206,820

A reconciliation of total adjusted operating profit / loss to profit / loss before tax is provided as follows:

Unaudited figures. All amounts in euro thousands

	<u>01/01/2010 - 31/03/2010</u>	<u>01/01/2009 - 31/03/2009</u>
<b>Adjusted Operating profit / (loss)</b>	2,904	6,271
Administrative personnel costs	(888)	(1,055)
Depreciation	(43)	(52)
Other taxes	-	2
Other administrative expenses	<u>(221)</u>	<u>(372)</u>
<b>Operating profit</b>	<u><b>1,752</b></u>	<u><b>4,794</b></u>
Finance revenue	3,615	4,587
Finance expenses	<u>(8,470)</u>	<u>(9,852)</u>
<b>Profit / (loss) before income tax</b>	<u><b>(3,103)</b></u>	<u><b>(472)</b></u>

## 5 Investment property

Unaudited figures. All amounts in euro thousands

	<b>Consolidated</b>	<b>Company</b>
<b>At beginning of period (01.01.2009)</b>	1,212,018	824,096
Additions in investment property / additions in construction costs	5,053	4,989
Disposal	(707)	-
Net gain from fair value adjustments on investment property	<u>(88,024)</u>	<u>(50,325)</u>
<b>At end of period (31.12.2009)</b>	<u><b>1,128,340</b></u>	<u><b>778,759</b></u>
Additions in investment property / additions in construction costs	753	753
Disposal	(8,893)	(7,559)
Net gain from fair value adjustments on investment property	<u>(4,914)</u>	<u>(4,177)</u>
<b>At end of period (31.03.2010)</b>	<u><b>1,115,285</b></u>	<u><b>767,776</b></u>

The fair market value of Investment property was re-measured and adjusted at 31 December 2009 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.

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

Unaudited figures. All amounts in euro thousands

	<b>Consolidated</b>		<b>Company</b>	
	<u>01/01/2010 - 31/03/2010</u>	<u>01/01/2009 - 31/03/2009</u>	<u>01/01/2010 - 31/03/2010</u>	<u>01/01/2009 - 31/03/2009</u>
Rental income from investment property	9,397	9,212	6,322	6,196
Operating expenses arising from investment property	522	816	406	634

#### *Repurchase and disposal of Investment property*

At the end of March 2010, the group has repurchased before maturity the horizontal ownerships B1 and C1 as well as 40 parking spaces at the third basement of the Building located at 1-3 Kifissias Avenue, Alexandras Avenue and 4 Theofanous street in Athens from Ethniki Leasing. The repurchase price was defined at € 4.9 million (it includes the outstanding notional of the sale and leaseback agreement plus accrued interest at the repurchase date). The repurchase price refers to the parent company by 85% and to the subsidiary 'Babis Vovos International Construction S.A. and Co GP' by 15%.

At the same date, the parent company and the above mentioned subsidiary signed a sale contract with the company named "VIRMA S.A." concerning the aforementioned horizontal ownerships. The sale price was determined at € 8.9 million referring to the parent company by 85% and to the subsidiary by 15%. The fair value of the property (€ 13,808 thousand) based on the valuation performed by the independent valuer as per December 31, 2009 was revalued so as to equal the transaction price and the difference amounting to € 4,914 thousand burdened as net loss from fair value adjustment on investment property the Group's result for the year.

The net inflow from the repurchase and the sale after the deduction of the relating expenses of the contracts was mainly used for the partial repayment of liabilities to Ethniki Leasing and Ethniki Bank.

#### *Investment property under construction*

##### Sounio

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

##### Poros - Galatas

The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-completed semi-detached residential units intended for tourist use. The completion of the aforementioned residential units has progressed significantly. The completion of the hotel complex including the improvement of the existing hotel unit into a class A' hotel is expected by summer 2010. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 March 2010 are included in Investment property under construction.

##### Votanikos

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

During the first quarter of 2007, the demolition permit concerning the existing buildings was issued. The demolition has started during April 2007 and is already completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit concerning part of the underground parking area has been issued and the relative works are at the completion stage. Following the approval of the Environmental Impact Report dated August 29<sup>th</sup>, 2008, the building permit for the total development of the shopping mall including 80,000 sqm under the ground area as well as 70,000 sqm of above the ground area has been issued. At the beginning of December, while the project was at the stage of reinforced concrete works were being carried out (already reached at the second floor), as well as various works for the completion of the basement area, the Council of

State decided upon the temporary suspension of the construction work at Votanikos. This temporary suspension of works followed an appeal against the building permit of the mall submitted by a small number of citizens. The hearing of appeal at the Plenary of the Council of State had taken place on March 6<sup>th</sup>, 2009. With the issuance of the decision No 3059/2009, the Plenary of the Council of State judged that the provisions of the article 12 of the L.3481/2006 are opposed to the Greek Constitution for the reason of the deficit in the ratio of open green and common use areas and it cancelled, for the above reason, the building permit of the BVIC shopping mall in Votanikos which had been issued based on the provisions of the above mentioned article of L.3481/2006.

The decision No 3059/2009 of the Plenary of the Council of State provides the direction for a new legal act which will enable the completion of the Joint Redevelopment at its entirety including the construction of BVIC shopping mall. The management of BVIC has already proceeded to meetings with the involved parties and has provided its propositions for the possible legal act so that the procedures to be completed at a short time and the Joint redevelopment at its entirety to be continued.

During March 2010, the announcements made by the Minister for the Environment, Energy and Climate Change, Tina Birbili, following the meeting she held with all the concerned parties, established a clear picture regarding the continuation of the Joint Regeneration project in its entirety. The Minister announced that she will submit a legislative amendment for the Joint Regeneration project of the areas Votanikos and Alexandras Avenue to be voted in Parliament, decreasing the buildings surface and the building coefficient of the area of Votanikos.

As far as the shopping mall is concerned, taking for granted the completion of the legislative act as announced by the Ministry for the Environment, Energy and Climate Change, it will be developed with a building coefficient of 1.2. This will improve the initial building plan, and help to create more free surfaces, atriums etc, thus rendering the shopping mall more friendly towards its visitors and the environment.

The management of BVIC will further restructure its bank debt, and this new development also creates confidence that additional financing lines will be established for new projects, some of which are already being developed.

Additionally, with the intention of protecting and ensuring its shareholders and employees interests, BVIC management has submitted to the Council of State an appeal for the cancellation of the building permit and the environmental impact report of the stadium of Panathinaikos in Votanikos the construction of which is to take place upon the land granted by BVIC to the municipality of Athens. Additionally, for the operation of the above mentioned stadium, there is a prerequisite for a certain number of parking spaces. This prerequisite would be covered partly by the constructed parking spaces of BVIC shopping mall.

The development is planned for completion six months after the beginning of the construction works so that the shopping mall will be delivered as 'cold shell' to the tenants. Following the delivery, interior works of the retail shops will be carried out with the target of being operative early 2011.

At 31 March 2010, the fair value of the land plot in Votanikos amounted to € 98,718 thousand. The fair value of the land plot in Votanikos according to the Valuation Report of Colliers International dated 31.12.2009 amounts to € 127,069 thousand. Despite that fact, management, under conservatism principle, did not proceed to a revaluation of the investment property under construction in Votanikos. In case the company had proceeded to the revaluation of the fair value of the investment property under construction in Votanikos, the investment properties as well as the Net Asset Value before deferred tax would have been increased by € 28,352 thousand. The construction cost of the project, at 31 December 2009, amounted to € 45,883 thousand and is included in the Investment properties. The decrease of the building coefficient from 1.6 to 1.2 from the forthcoming legislative amendment does not affect the existing construction and its respective cost. Consequently, the company has not formed any provision for impairment of the construction cost as at 31 March 2010.

At 31 March 2010, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Group investment property includes buildings valued at € 788,707 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 473,315 thousand. (For 31.12.2009: buildings valued at € 802,515 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 482,004 thousand).

## 6 Borrowings

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<b>Non - current</b>				
Bank Borrowings	52,503	54,657	49,338	51,312
Finance lease liabilities	487,674	498,338	323,395	331,770
	<u>540,178</u>	<u>552,995</u>	<u>372,733</u>	<u>383,082</u>
<b>Current</b>				
Bank Borrowings	180,721	174,990	178,402	172,841
Finance lease liabilities	28,226	26,180	20,343	19,416
	<u>208,946</u>	<u>201,170</u>	<u>198,746</u>	<u>192,257</u>
<b>Total borrowings</b>	<u>749,124</u>	<u>754,164</u>	<u>571,479</u>	<u>575,339</u>

Movements in borrowings are analysed as follows:

*Unaudited figures. All amounts in euro thousands*

	Consolidated	Company
<b>At beginning of period (01.01.2009)</b>	<b>760,849</b>	<b>575,626</b>
Borrowings inflows (bank loans)	12,366	8,066
Borrowings inflows (finance leases)	55,906	38,487
Borrowings payback (bank loans)	(43,960)	(20,870)
Borrowings payback (finance leases)	(29,216)	(24,428)
Increase / (decrease) interest payable	<u>(1,781)</u>	<u>(1,542)</u>
<b>At end of period (31.12.2009)</b>	<b>754,164</b>	<b>575,339</b>
Borrowings inflows (bank loans)	2,125	1,425
Borrowings inflows (finance leases)	-	-
Borrowings payback (bank loans)	(1,981)	(1,149)
Borrowings payback (finance leases)	(8,445)	(7,447)
Increase / (decrease) interest payable	<u>3,260</u>	<u>3,311</u>
<b>At end of period (31.03.2010)</b>	<b>749,124</b>	<b>571,479</b>

All the Group's borrowings are at floating rates of interest. The fair value of both the long-term and short-term borrowings at 31 March 2010 approximated their carrying values. All the Group's borrowings are in euro.

For securing borrowings, guarantees have been provided over:

- the investment property amounting to € 322,240 thousand (31 December 2009: € 336,540 thousand) for the Group and € 252,554 thousand (31 December 2009: € 252,554 thousand) for the company.
- the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 23,745 thousand (31 December 2009: 12,745 thousand) for the Group and the company.
- the inventories amounting to € 32,000 thousand (31 December 2009: 32,000 thousand) for the Group and the company have been provided.

The Group has proceeded in negotiations with the banks relating to the extension of the repayment schedule and the restructuring of most of the loan contracts and sale and leaseback agreements in effect.

As far as the loan contracts are concerned, at 31.3.2010, amendments of the loan contracts referring to the loan of € 125 million for the under construction project in Votanikos and its maturity were signed with Alpha Bank and Piraeus Bank. As already announced, both the above mentioned banks have already provided the company with the right to extend the repayment schedule up to 31/3/2011.

The total fair value of the Votanikos project (land and construction in progress) as further described in Note 5 is € 144.6 million as at 31 March 2010 and is included in investment properties in the Consolidated statement of financial position. This value is in excess of the related lending and, therefore, management does not believe that any accelerate demand for the repayment of the related loan will create any liquidity issues.

## 7 Trade and other payables

The company has secured a grace period up to 30.06.2011 for the repayment of its liabilities to the subsidiary companies “Ergoliptiki – Ktimatiki - Touristiki S.A.”, “Doma S.A.”, “Alteco S.A.”, “Elfinko S.A.” and “International Palace Hotel S.A.” amounting to € 53,556 thousand. Therefore, the respective liabilities are indicated as Trade and other payables under non-current liabilities of the Balance Sheet. At 31.12.2009, these liabilities were also indicated as non current liabilities.

## 8 Derivatives

*Unaudited figures. All amounts in euro thousands*

Interest rate swaps held for trading	Consolidated		Company	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Non-current assets	91	466	91	466
Current assets	91	233	91	233
Non-current liabilities	39,888	46,385	39,888	46,385
Current liabilities	12,634	10,617	12,634	10,617

During the period ended at 31 March 2010, there was no significant amendment of the Group’s interest rate swap agreements.

At 31 March 2010, the fair value of the liabilities from interest rate swap agreements was € 55,522 thousand (31 December 2009: € 57,001 thousand). Finance expense of € 201 thousand as well as finance revenue of € 3,607 thousand was recognised in the period results.

At 31 March 2010, the fair value of the interest rate swap agreement classified at Assets was € 182 thousand (31 December 2009: € 698 thousand). Finance expense of € 284 thousand was recognised in the period results.

## 9 Provisions

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>	<b>Company</b>
<b>At beginning of period (01.01.2009)</b>	<u>1,057</u>	<u>517</u>
<b>At end of period (31.12.2009)</b>	<u>1,057</u>	<u>517</u>
<b>At end of period (31.03.2010)</b>	<u>1,057</u>	<u>517</u>

Provisions for other liabilities and expenses include provisions for possible liabilities relating to litigation and claims which were pending against the Group companies (see Note 14).

During the period ended 31 March 2010, no provision for litigation and claim against the companies of the Group was formed.

## 10 Revenue

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>		<b>Company</b>	
	<u>01/01/2010 - 31/03/2010</u>	<u>01/01/2009 - 31/03/2009</u>	<u>01/01/2010 - 31/03/2010</u>	<u>01/01/2009 - 31/03/2009</u>
Rental income	13,037	13,072	9,125	8,998
Sale of property	8,893	922	7,559	215
Construction work	649	372	649	372
Other	-	-	-	1
	<u>22,579</u>	<u>14,366</u>	<u>17,333</u>	<u>9,586</u>

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

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

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

## 11 Operating profit

During the period ended 31 March 2010, no amounts referring to provisions for doubtful debt, inventory impairment or litigation and claims have been recorded in the operating profit. The same applies to the same period of the previous fiscal year.

## 12 Earnings per share

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
Net profit attributable to shareholders	(3,115)	(23)	(2,609)	(186)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(0.09)	(0.00)	(0.08)	(0.01)

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 period.

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

## 13 Cash generated from operations

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
Profit before income tax	(3,103)	(472)	(2,672)	(984)
Adjustments for:				
– depreciation and amortisation	98	109	58	68
– net (gain) / loss from fair value adjustment on investment property	4,914	107	4,177	-
– Provision for inventory impairment	-	(380)	-	(385)
– Increase in retirement provision	68	(42)	66	(47)
– interest expense	7,573	9,818	5,766	8,066
– interest revenue	(0)	(9)	(0)	(6)
– (income) / loss from derivatives	(2,718)	(4,543)	(2,718)	(4,543)
– dividend (income) / loss	-	-	(811)	(400)
Changes in working capital:				
– trade and other receivables	(839)	1,507	118	1,539
– inventories	(1,724)	(1,288)	(1,724)	(1,284)
– payables	3,155	(780)	3,316	(870)
Cash generated from operations	7,425	4,027	5,575	1,155

In the statement of cash flows, proceeds from sale of investment property comprise:

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
Accounting Value	13,808	814	11,736	-
Profit / (loss) on sale of investment property	<u>(4,914)</u>	<u>(107)</u>	<u>(4,177)</u>	<u>-</u>
Proceeds from sale of investment property	<u>8,893</u>	<u>707</u>	<u>7,559</u>	<u>-</u>

## 14 Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the company have given guarantees in the ordinary course of business amounting to € 6,391 thousand (2009: € 6,305 thousand) and € 2,617 thousand (2009: € 2,531 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 March 2010, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 4,266 thousand (2009: € 4,266 thousand) for which a total provision of € 1,057 thousand (2009: € 1,057 thousand) for the Group and € 517 thousand (2009: € 517 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 31 March 2010, there was one pending court decision for the cancellation of a building permit as far as 49 Kifissias Avenue building is concerned. However, no liability is expected to incur. At 31 March 2010, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 16,102 thousand (2009: € 16,102 thousand).

The companies included in the consolidation have been tax audited as follows : the parent company 'Babis Vovos International Construction S.A.' up to the fiscal year 2006, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2006, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2006, 'Doma S.A.' up to the fiscal year 2000, 'International Palace Hotel S.A.' up to the fiscal year 2006, 'Alteco S.A.' up to the fiscal year 2004 and 'Elfinko S.A.' up to the fiscal year 2004. A provision which burdened the fiscal years' results as well as previous fiscal years' results has been formed and there is no expectation that any significant additional liability will incur.

On June 2008, the tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was completed. The tax audit resulted in tax audit differences amounting to € 7,086 thousand excluding the tax surcharges. Out of these, until today, € 3,298 thousand have not been finalised. For the non-finalised tax audit differences amounting to € 3,298 thousand, the company has appealed against to administrative courts. The company has additionally burdened its results with the respective surcharges which, until today, are calculated to the amount of € 4,180 thousand.

## 15 Related-party transactions

At 31 March 2010, Mr. Charalambos Vovos owns 36.03% of the parent company's shares and voting rights. The remaining 63.97% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009	01/01/2010 - 31/03/2010	01/01/2009 - 31/03/2009
<b>Sales of goods and services</b>				
<i>Sales of goods</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Sales of services</i>				
Innovative Buildings S.A	0	1	-	-
Promise Cafe Ltd.	28	21	-	-
The Greek Coffee Company S.A.	23	45	-	-
	<u>51</u>	<u>66</u>	<u>-</u>	<u>-</u>
<b>Purchases of goods and services</b>				
<i>Purchases of services</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	31	31
Services of key management personnel	27	30	27	30
	<u>27</u>	<u>30</u>	<u>58</u>	<u>61</u>
<b>Key management compensation</b>				
Salaries and other short term employee benefits	258	347	258	347
	<u>258</u>	<u>347</u>	<u>258</u>	<u>347</u>

Year-end balances arising from sales/purchases of goods/services	Consolidated		Company	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<i>Receivables from related parties</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	39,073	39,976
Innovative Buildings S.A	6	6	-	-
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	11,317	11,317	5,329	5,329
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	12	12	-	-
The Greek Coffee Company S.A.	57	44	-	-
Key management personnel <sup>(1)</sup>	27,501	27,501	27,486	27,486
	<u>39,447</u>	<u>39,433</u>	<u>72,431</u>	<u>73,334</u>
<i>Payables to related parties</i>				
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	1,571	1,468
Doma S.A	-	-	8,922	8,905
International Palace Hotel S.A	-	-	3,852	3,852
Alteco S.A	-	-	13,738	13,739
Elfinko S.A.	-	-	25,473	25,488
Key management personnel	104	95	104	95
	<u>105</u>	<u>96</u>	<u>53,660</u>	<u>53,548</u>

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

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

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

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

## 16 Number of employees

The number of employees for the Group and the Company as at 31 March 2010 is as follows:

	Consolidated		Company	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Number of employees	398	478	390	470