



Eurobank Properties REIC

CONDENSED CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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.

All amounts expressed in €'000s unless otherwise stated

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All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Balance sheet

	Note	Group		Company	
		30/09/2010	31/12/2009	30/09/2010	31/12/2009
ASSETS					
<i>Non-current assets</i>					
Investment Property	5	646.214	669.000	503.347	513.822
Property, plant and equipment		1.741	1.734	1.741	1.732
Goodwill and Intangible Assets		335	335	-	-
Investments in subsidiaries	6	-	-	65.865	69.768
Deferred tax asset		679	709	-	-
		648.969	671.778	570.953	585.322
<i>Non-current assets</i>					
Trade and other receivables	7	5.964	5.213	7.668	7.202
Cash and cash equivalents	8	165.525	166.848	160.922	159.288
		171.489	172.061	168.590	166.490
Total assets		820.458	843.839	739.543	751.812
SHAREHOLDERS' EQUITY AND LIABILITIES					
<i>Capital and reserves</i>					
Share capital	9	128.684	129.188	128.684	129.188
Share premium	9	463.956	464.914	463.956	464.914
Other reserves		9.431	9.335	8.567	8.566
Revaluation Reserve		558	558	558	558
Retained earnings		106.377	122.449	103.914	114.955
Total shareholders' equity		709.006	726.444	705.679	718.181
Deferred income		115	145	115	145
<i>Non-current liabilities</i>					
Borrowings, including finance leases	10	94.627	97.445	20.789	20.463
		94.627	97.445	20.789	20.463
<i>Current liabilities</i>					
Trade and other payables	11	8.034	12.324	6.183	7.558
Dividends payable	13	-	29	-	29
Current income tax liabilities		4.954	3.436	4.735	3.234
Borrowings, including finance leases	10	3.722	4.016	2.042	2.202
		16.710	19.805	12.960	13.023
Total liabilities		111.452	117.395	33.864	33.631
Total shareholders' equity and liabilities		820.458	843.839	739.543	751.812

All amounts expressed in €'000s unless otherwise stated

Consolidated Income Statement

	Note	Nine month period ended		Three month period ended	
		30/09/2010	30/09/2009	30/09/2010	30/09/2009
Revenue					
Rental Income		33.749	30.602	11.698	10.244
Gain from sale of investment property	5	570	720	330	-
		34.319	31.322	12.028	10.244
Net gain/(loss) from fair value adjustment on investment property	5	(18.827)	5.892	-	-
Repair and maintenance costs		(131)	(326)	(10)	(192)
Management fee		(851)	(821)	(287)	(275)
Other direct property relating expenses		(2.064)	(2.080)	(637)	(740)
Employee benefit expense		(665)	(647)	(166)	(131)
Depreciation of property, plant and equipment		(35)	(33)	(8)	(12)
Other income		69	521	40	11
Other expenses		(1.096)	(1.372)	(295)	(560)
		10.719	32.456	10.665	8.345
Operating profit/ (loss)					
Interest income		4.888	7.036	2.090	1.626
Finance costs		(1.958)	(2.786)	(896)	(662)
Profit/ (loss) before income tax		13.649	36.706	11.859	9.309
Income tax expense	12	(5.497)	(1.831)	(393)	(363)
Profit/ (loss) for the period		8.152	34.875	11.466	8.946
Total Comprehensive income/(loss) for					
Owners of the parent		8.152	34.85	11.466	8.946
Minority interest		-	-	-	-
Earnings/ (losses) per share (expressed in € per share)					
- Basic and Diluted	14	0,13	0,57	0,19	0,15

All amounts expressed in €'000s unless otherwise stated

Company Income Statement

	Note	Nine month period ended		Three month period ended	
		30/09/2010	30/09/2009	30/09/2010	30/09/2009
Revenue					
Rental Income		27.133	24.015	9.506	7.880
Gain from sale of investment property	5	570	720	330	
		27.703	24.735	9.836	7.880
Net gain/ (loss) from fair value adjustment on investment property	5	(10.420)	6.971	-	-
Repair and maintenance costs		(107)	(256)	(3)	(130)
Management fee		(611)	(608)	(172)	(210)
Other direct property relating expenses		(802)	(1.111)	(322)	(370)
Employee benefit expense		(652)	(636)	(161)	(126)
Depreciation of property, plant and equipment		(35)	(33)	(8)	(12)
Other income		69	659	40	14
Other expenses		(839)	(841)	(315)	(390)
		14.306	28.880	8.895	6.656
Operating profit/ (loss)					
Interest income		4.829	6.996	2.067	1.617
Finance costs		(461)	(707)	(236)	(166)
Profit / (loss) before income tax		18.674	35.169	10.726	8.107
Income tax expense	12	(5.397)	(1.831)	(365)	(363)
Profit / (loss) for the period		13.277	33.338	10.361	7.744

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	Nine month period ended 30/09/2010	30/09/2009	Three month period ended 30/09/2010	30/09/2009
Profit for the period	8.152	34.875	13.277	33.338
Other comprehensive income/(losses) after tax				
Exchange rate differences transferred to income/(losses) after taxes	275	(391)	-	-
Other comprehensive income/(loss) for the period	275	(391)	-	-
Total Comprehensive income/(loss) for the period	8.427	34.484	13.277	33.338
Total Comprehensive income/(loss) for				
- Shareholders (Owners of the parent)	8.427	34.484	13.277	33.338
- Minority interest	-	-	-	-
Total Comprehensive income/(losses) after taxes	8.427	34.484	13.277	33.338

The Condensed Consolidated and Company Interim Financial Statements for the nine month period ended 30 September 2010 were approved by the Board of Directors on 01 November 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

Stylianios 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
Balance at 1/1/2009	129.930	466.749	7.058	116.670	720.407
Profit/ (loss) for the period	-	-	-	34.875	34.875
Other comprehensive income/(loss) after tax	-	-	-	-	-
Foreign exchange differences	-	-	(147)	(244)	(391)
Total comprehensive income/(loss) for the period	-	-	(147)	34.631	34.484
Acquisition of own shares	(577)	(1.372)	-	-	(1.949)
Dividend relating 2008 approved by the shareholders	-	-	-	(22.570)	(22.570)
Revaluation reserve	-	-	558	-	558
Balance at 30/09/2009	129.353	465.377	7.469	128.731	730.930
Balance at 1/1/2010	129.188	464.914	9.893	122.449	726.444
Profit/ (loss) for the period	-	-	-	8.152	8.152
Other comprehensive income/(loss) after tax	-	-	-	-	-
Foreign exchange differences	-	-	96	179	275
Total comprehensive income/(loss) for the period	-	-	96	8.331	8.427
Acquisition of own shares	(504)	(958)	-	-	(1.462)
Dividend relating to 2009 approved by the shareholders	-	-	-	(24.403)	(24.403)
Balance at 30/09/2010	128.684	463.956	9.989	106.377	709.006

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
Balance at 1/1/2009		129.930	466.749	6.549	108.336	711.564
Profit for the period		-	-	-	33.338	33.338
Other comprehensive income/(loss) after tax		-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	33.338	33.338
Acquisition of own shares		(577)	(1.372)	-	-	(1.949)
Dividend relating 2008 approved by the shareholders		-	-	-	(22.570)	(22.570)
Revaluation reserve		-	-	558	-	558
Balance at 30/09/2009		129.353	465.377	7.107	119.104	720.941
Balance at 1/1/2010		129.188	464.914	9.125	114.955	718.181
Profit for the period		-	-	-	13.277	13.277
Other comprehensive income/(loss) after tax		-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	13.277	13.277
Acquisition of own shares	9	(504)	(958)	-	-	(1.462)
Retained earnings arising from merger of subsidiary		-	-	-	85	85
Dividend relating to 2009 approved by the shareholders	13	-	-	-	(24.403)	(24.403)
Balance at 30/06/2010		128.684	463.956	9.125	103.914	705.679

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company cash flow statement

	Note	Group		Company	
		1/1 – 30/09/2010	1/1 – 30/09/2009	1/1 – 30/09/2010	1/1 – 30/09/2009
Cash flows from operating activities					
Profit /(loss) before income tax		8.152	34.875	13.277	33.338
Adjustments for:					
Other gains and losses		(69)	(521)	(69)	(659)
Provisions		-	(21)	-	(21)
Interest income		(4.888)	(7.036)	(4.829)	(6.996)
Finance costs		1.958	2.786	461	707
Income tax expense		5.497	1.831	5.397	1.831
Depreciation of property, plant and equipment		35	33	35	33
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		(750)	(93)	(466)	(93)
Increase / (decrease) in payables		(4.217)	(2.525)	(1.025)	(2.861)
Cash generated from operations		24.545	23.437	23.201	18.308
Interest paid		(1.554)	(2.124)	(355)	(755)
Income tax paid		(3.940)	(2.360)	(3.896)	(3.368)
Net cash generated from operating activities		19.051	18.953	18.950	14.185
Cash flows from investing activities					
Purchases of investment property	5	(1.200)	(50.192)	(1.200)	(50.192)
Subsequent capital expenditure on investment property	5	(1.121)	(5.078)	(47)	(37)
Subsequent capital expenditure on own use property		-	(380)	-	(380)
Disposals of investment property		6.850	12.640	6.850	12.640
Interest received		4.349	7.350	4.290	7.310
Net cash used in investing activities		8.878	(35.660)	9.893	(30.659)
Cash flows from financing activities					
Purchase of treasury shares	9	(1.462)	(1.952)	(1.462)	(1.952)
Proceeds from borrowings		-	2.200	-	-
Repayments of borrowings		(3.112)	(2.172)	(1.344)	(1.408)
Dividends Paid	13	(24.403)	(22.570)	(24.403)	(22.570)
Net cash used in financing activities		(28.977)	(24.494)	(27.209)	(25.930)
Net (decrease) / increase in cash and cash equivalents		(1.048)	(41.201)	1.634	(42.404)
Cash and cash equivalents at the beginning of the year		166.848	204.142	159.288	199.962
Exchange gains / (losses) on cash and cash equivalents		(275)	(391)	-	-
Cash and cash equivalents at the end of the year	8	165.525	162.550	160.922	157.558

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 (30/09/2009: 17)

These Condensed Consolidated and Company Interim Financial Information for the nine month period ended 30 September 2010 have been approved for issue by the Board of Directors on November 01, 2010.

2 Summary of significant accounting policies

These Condensed Consolidated and Company Interim Financial Statements for the period ended 30 September 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 September 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

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All amounts expressed in €'000s unless otherwise stated

supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to 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

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All amounts expressed in €'000s unless otherwise stated

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”

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.

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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 September 2010:

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	17.363	3.475	7.156	4.995	32.989
Service charges	726	-	34	-	760
Gain from disposal of investment property	-	-	330	240	570
Total	18.089	3.475	7.520	5.235	34.319
RESULTS					
Net gain / (loss) from fair value adjustments	(10.276)	(1.318)	(3.167)	(4.066)	(18.827)
Other direct property relating expenses	(1.400)	(117)	(264)	(283)	(2.064)
Management fees	(473)	(79)	(172)	(127)	(851)
Finance costs	(1.646)	(40)	(231)	(41)	(1.958)
Profit/(loss) relating to investment property	4.294	1.921	3.686	718	10.619
Reconciliation of net profit for the period					
Profit relating to investment property					10.619
Interest income					4.888
Other expenses					(1.927)
Other income					69
Income tax					(5.497)
Net profit for the period					8.152

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

For the period ended 30 September 2009:

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	16.339	3.426	4.173	5.994	29.932
Service charges	633	-	37	-	670
Gain from disposal of investment property	720	-	-	-	720
Total	17.692	3.426	4.210	5.994	31.322
RESULTS					
Net gain / (loss) from fair value adjustments	4.847	1.361	(1.102)	786	5.892
Other direct property relating expenses	(1.410)	(178)	(152)	(340)	(2.080)
Management fee	(450)	(86)	(114)	(171)	(821)
Finance costs	(2.341)	(53)	(285)	(107)	(2.786)
Profit/(loss) relating to investment property	18.338	4.470	2.557	6.162	31.527
Reconciliation of net profit for the period					
Profit relating to investment property					31.527
Interest income					7.036
Other expenses					(2.378)
Other income					521
Income tax					(1.831)
Net profit for the period					34.875

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

For the three month period ended 30 September 2010

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	6.164	1.159	2.525	1.602	11.450
Service charges	236	-	12	-	248
Gain from disposal of investment property	-	-	330	-	330
Total	6.400	1.159	2.867	1.602	12.028
RESULTS					
Net gain / (loss) from fair value adjustments	-	-	-	-	-
Other direct property relating expenses	(412)	(42)	(72)	(111)	(637)
Management fee	(176)	(22)	(54)	(35)	(287)
Finance costs	(815)	(1)	(79)	(1)	(896)
Profit/(loss) relating to investment property	4.997	1.094	2.662	1.455	10.208
Reconciliation of net profit for the period					
Profit relating to investment property					10.208
Interest income					2.090
Other expenses					(479)
Other income					40
Income tax					(393)
Net profit for the period					11.466

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

For the three month period ended 30 September 2009

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	5.444	1.144	1.359	2.085	10.032
Service charges	186	-	26	-	212
Gain from disposal of investment property	-	-	-	-	-
Total	5.630	1.144	1.385	2.085	10.244
RESULTS					
Net gain / (loss) from fair value adjustments	-	-	-	-	-
Other direct property relating expenses	(497)	(35)	(43)	(165)	(740)
Management fee	(163)	(12)	(44)	(56)	(275)
Finance costs	(548)	(25)	(78)	(11)	(662)
Profit relating to investment property	4.422	1.072	1.220	1.853	8.567
Reconciliation of net profit for the period					
Profit relating to investment property					8.567
Interest income					1.626
Other expenses					(895)
Other income					11
Income tax					(363)
Net profit for the period					8.946

Segment information for the period ended 30 September 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	
	30/09/2010	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	734	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	(6.280)	(11.919)
Net gain / (loss) from fair value adjustments on investment property	(18.827)	4.533
At the end of the period	646.214	669.000

Year ended 31 December	Company	
	30/09/2010	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)
Transfer of property due to merge of Subsidiary	4.978	-
Disposal	(6.280)	(11.919)
Net gain / (loss) from fair value adjustments on investment property	(10.420)	9.474
At the end of the period	503.347	513.822

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 23rd 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 30th 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

On July 23rd the Company concluded the sale of a property located in, 9 Dimokratias Square, Agrinio. The said asset is a ground floor retail space with basement, mezzanine, with total surface of 383,57sqm. The price for the property was agreed at €900. The market value, valued on 31/12/09, was €874. Realized profit from the sale of the property of €26 has been recognized in the income statement of the period.

On August 5th the Company concluded the sale of a property located in, 171 Dimitriadou str., Volos. The said asset is a ground floor retail space with mezzanine. The total surface is 352sqm. The selling price for the property was agreed at €2.000. The market value, valued on 31/12/09, was €1.696. Realized profit from the sale of the property of €304 has been recognized in the income statement of the period.

6 Investment in Subsidiaries

	<u>Country of incorporation</u>	<u>% of interest</u>	Investment in subsidiaries		Unaudited Tax fiscal years
			30/09/2010	31/12/2009	
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	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
			65.865	69.768	

On July 21st 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.

7 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Group		Company	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Trade receivables	1.470	1.590	1.137	1.071
Receivables from related parties (Note 16)	594	334	3.742	3.918
Other receivables	3.900	3.289	2.789	2.213
Current assets	5.964	5.213	7.668	7.202

Receivables from related parties as at 30 September 2010 include shareholders loans of €2.613 and €911 by the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A., respectively.

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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

8 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Cash in hand	2	2	-	1
Cash at bank and short term deposits	165.523	166.846	160.922	159.287
	165.525	166.848	160.922	159.288

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
At 1 January 2009	61.000	129.930	466.749	596.679
Acquisition of own shares	(271)	(577)	(1.372)	(1.949)
At 30 September 2009	60.729	129.353	465.377	595.730
At 1 January 2010	60.652	129.188	464.914	594.102
Acquisition of own shares	(237)	(504)	(958)	(1.462)
At 30 September 2010	60.415	128.684	463.956	592.640

The total authorised number of ordinary shares is 61.000 (30 September 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 nine month period ended 30 September 2010 purchased 236.756 treasury shares with a total cost of €1.462 and average price €6,18 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 September 30, 2010 the Company owned 585.116 treasury shares with a total cost of €4.039 and average price of €6.90 per share.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Non-current				
Bank borrowings	75.538	76.982	1.700	-
Bank borrowings	19.089	20.463	19.089	20.463
Total non-current borrowings	94.627	97.445	20.789	20.463
Current				
Bank borrowings	1.680	1.814	-	-
Finance lease obligations	2.042	2.202	2.042	2.202
Total current borrowings	3.722	4.016	2.042	2.202
Total borrowings	98.349	101.461	22.831	22.665

According to IAS 23 «Borrowing Costs» the Group for the period ended 30 September 2010 has capitalized interest expense of €387 relating to property under construction of the subsidiary “Tavros Protypi Anaptyxi S.A.” undertaken by the tenant. Rental revenue began June 01,2010.

From the merge of the subsidiary “Kalambokis Tours and Kargo S.A.” the Company as of July 21st 2010 undertook a loan obligation of € 1.700.

11 Trade and other payables

The analysis of trade and other payables is as follows:

	Όμιλος		Εταιρεία	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Trade payables	506	3.769	390	423
Other payables and accruals	4.962	6.181	3.323	5.023
Amounts due to related parties (Note 16)	2.566	2.374	2.470	2.112
	8.034	12.324	6.183	7.558

The Company for the period ended September 30, 2010 has received rental guarantees amounting to €3.040.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

12 Income Tax Expenses

	Group		Company	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Current income tax	1.197	1.831	1.097	1.831
Extraordinary tax	4.375	-	4.375	-
Discount on tax payable due to one off payment	(75)	-	(75)	-
	5.497	1.831	5.397	1.831

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 €5.497 and €5.397 respectively. 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 September 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 September 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.

	Nine month period ended		Three month period ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
Profit attributable to equity holders of the Company	8.152	34.875	11.466	8.946
Weighted average number of ordinary shares in issue (thousands)	60.556	60.893	60.479	60.788
Basic earnings per share (€ per share)	0,13	0,57	0,19	0,15

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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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 44,82% as at 30/09/2010 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

	Nine month period ended		Three month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Rental income received				
Parent (EFG Eurobank Ergasias S.A.)	8.281	8.460	2.732	2.727
Subsidiaries of parent company	5.517	4.736	3.124	1.491
	13.798	13.196	5.856	4.218

b) Purchase of services

Group

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Management fees				
Subsidiary of parent company (Eurobank Property Services)	(851)	(821)	(287)	(275)
Valuations and Brokerage Fees				
Subsidiary of parent company (Eurobank Property Services)	-	(92)	-	-
	(851)	(913)	(287)	(275)

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Company

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Management fees				
Subsidiary of parent company (Eurobank Property Services)	(611)	(608)	(172)	(265)
Valuations and Brokerage Fees				
Subsidiary of parent company (Eurobank Property Services)	-	(92)	-	-
	(611)	(905)	(172)	(265)

c) Financing incurred on borrowings

Group

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Bank Borrowings				
Parent (EFG Eurobank Ergasias S.A.)	(339)	(53)	(102)	(24)
Subsidiary of Parent Company ((Eurobank EFG Stedionica A.D., Beograd)	(42)	(107)	(3)	(12)
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	(583)	(1.432)	(251)	(581)
Subsidiary of parent company (SC Bancpost S.A)	-	(201)	-	-
Finance Leases				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(409)	(708)	(205)	(167)
	(1.373)	(2.501)	(561)	(784)

Company

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Bank Borrowings				
Parent (EFG Eurobank Ergasias S.A.)	(52)	-	(52)	-
Finance Leases				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(409)	(708)	(205)	(222)
	(461)	(708)	(257)	(222)

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

d) Interest income earned on cash and cash equivalents

Group

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Parent (EFG Eurobank Ergasias S.A.)	3.631	5.784	1.545	1.366
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	8	18	4	1
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	-	2	-	-
Subsidiary of parent company (SC Bancpost S.A)	23	17	9	5
	3.662	5.821	1.558	1.372

Company

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Parent (EFG Eurobank Ergasias S.A.)	3.631	5.784	1.545	1.366
	3.631	5.784	1.545	1.366

e) Transfers under financing arrangements:

Group

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Net cash transfers in/(out) under financing arrangements				
Subsidiary of parent company (EFG New Europe Funding BV)	-	(800)	-	-
Subsidiary of parent company (Bancpost S.A.)	-	(390)	-	-
Subsidiary of parent company (Eurobank EFG Private Bank Luxemburg SA)	(1.578)	4.000	(470)	(279)
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(1.534)	(1.409)	(547)	(499)
	(3.112)	1.401	(1.017)	(778)

Company

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Net cash transfers in/(out) under financing arrangements				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(1.534)	(1.409)	(547)	(499)
	(1.534)	(1.409)	(547)	(499)

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

f) Key management compensation – Group and Company

	Nine month period ended		Three-month period ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Salaries and other short-term benefits	388	422	152	156

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

	Group		Company	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Trade receivables from related parties				
Parent (EFG Eurobank Ergasias S.A.)	181	-	181	-
Subsidiaries	-	-	3.149	3.673
Other related parties	413	334	412	245
	594	334	3.742	3.918
Trade payables to related parties				
Parent (EFG Eurobank Ergasias S.A.)	1.624	1.577	1.624	1.577
Other related parties	942	797	846	535
	2.566	2.374	2.470	2.112
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)	3.745	3.830	-	-
Subsidiary of Parent Company (Eurobank EFG Private Bank Luxemburg SA)	34.953	35.652	-	-
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	18.671	20.148	18.671	20.148
	59.069	61.597	18.671	20.148
Cash and cash equivalents				
Parent (EFG Eurobank Ergasias S.A.)	32.099	61.452	31.597	60.969
Subsidiary of Parent Company (Bancpost S.A.)	1.246	1.806	-	-
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1.551	1.202	-	-
	34.896	64.460	31.597	60.696

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

There were no significant events after the balance sheet date.