



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

Interim Condensed Financial Information for the  
three months ended 31 March 2011 under IAS 34

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## Interim Condensed Financial Information

### Balance sheet

*Unaudited figures. All amounts in euro thousands*

	Note	Consolidated		Company	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	5	858,533	829,450	594,248	573,561
Property, plant and equipment		9,316	9,595	939	1,178
Intangible assets		18,881	18,884	16,453	16,456
Investments		18	18	48,443	48,443
Derivative assets		0	0	0	0
Other non-current receivables		531	531	370	370
		<u>887,280</u>	<u>858,478</u>	<u>660,453</u>	<u>640,009</u>
<b>Current assets</b>					
Inventories		43,900	43,246	44,972	44,318
Trade and other receivables		53,847	51,953	77,953	76,613
Derivative assets					
Cash and cash equivalents		923	1,459	283	1,166
		<u>98,669</u>	<u>96,658</u>	<u>123,208</u>	<u>122,097</u>
<b>Total assets</b>		<b><u>985,949</u></b>	<b><u>955,137</u></b>	<b><u>783,661</u></b>	<b><u>762,106</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		9,518	(12,187)	(41,712)	(54,065)
		<u>80,216</u>	<u>58,511</u>	<u>30,364</u>	<u>18,011</u>
Minority interest		6,294	5,848	-	-
<b>Total equity</b>		<b><u>86,511</u></b>	<b><u>64,359</u></b>	<b><u>30,364</u></b>	<b><u>18,011</u></b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	6	522,786	530,490	357,591	360,395
Deferred income tax liabilities		24,987	16,094	6,513	570
Retirement benefit obligations		2,730	2,831	2,553	2,658
Trade and other payables	7	-	-	-	-
Derivative liabilities	8	21,914	28,018	21,914	28,018
Lease guarantees		3,773	3,751	2,784	2,766
		<u>576,190</u>	<u>581,183</u>	<u>391,355</u>	<u>394,407</u>
<b>Current liabilities</b>					
Trade and other payables		60,442	55,307	123,707	119,491
Income tax		20,481	20,406	5,884	5,744
Borrowings	6	225,220	218,985	215,785	210,097
Dividend payable		456	456	456	456
Provisions for other liabilities & expenses	9	1,057	1,057	517	517
Derivative liabilities	8	15,593	13,384	15,593	13,384
		<u>323,248</u>	<u>309,595</u>	<u>361,942</u>	<u>349,688</u>
<b>Total liabilities</b>		<b><u>899,438</u></b>	<b><u>890,778</u></b>	<b><u>753,297</u></b>	<b><u>744,095</u></b>
<b>Total equity and liabilities</b>		<b><u>985,949</u></b>	<b><u>955,137</u></b>	<b><u>783,661</u></b>	<b><u>762,106</u></b>

The notes on pages 7 to 23 are an integral part of this consolidated financial information.

## Income statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
Revenue	9	9,514	13,686	6,568	9,774
Cost of sales		(4,473)	(5,882)	(4,076)	(4,950)
<b>Gross profit / (loss)</b>		<b>5,041</b>	<b>7,804</b>	<b>2,492</b>	<b>4,824</b>
Net gain from fair value adjustment on investment property		28,462	-	20,065	-
Loss from disposal of investment property		-	(4,914)	-	(4,177)
Selling and marketing costs		(30)	(41)	(30)	(35)
Administrative expenses		(1,248)	(1,099)	(1,159)	(1,017)
Other gains		-	79	-	41
Other expenses		(66)	(77)	(52)	(72)
Other profit / (loss) net		3,895	2,718	3,895	2,718
<b>Operating profit</b>		<b>36,053</b>	<b>4,470</b>	<b>25,209</b>	<b>2,283</b>
Finance revenue		4,612		381	
Finance expenses		(9,441)	(7,573)	(7,297)	(5,766)
Finance expenses (net)		(4,830)	(7,573)	(6,916)	(5,766)
Gain / (Loss) from investment in GPs		-	-	2	811
<b>Profit / (loss) before income tax</b>		<b>31,224</b>	<b>(3,103)</b>	<b>18,296</b>	<b>(2,672)</b>
Income tax expense	11	(9,072)	(1)	(5,942)	62
<b>Profit / (loss) for the year</b>		<b>22,151</b>	<b>(3,104)</b>	<b>12,353</b>	<b>(2,609)</b>
<b>Attributable to:</b>					
Equity holders of the Company		21,705	(3,115)	12,353	(2,609)
Minority interest		447	11	-	-
		22,151	(3,104)	12,353	(2,609)
<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	<b>0.64</b>	<b>(0.09)</b>	<b>0.36</b>	<b>(0.08)</b>

The notes on pages 7 to 23 are an integral part of this consolidated financial information.

## 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 2010</b>	10,179	36,653	23,894	261,563	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	23,894	258,448	6,937	<b>336,111</b>
Profit / (loss) for the period	-	-	-	(270,663)	(1,089)	(271,752)
Transfer to statutory reserve	-	-	(28)	28	-	-
<b>Balance at 31 December 2010</b>	10,179	36,653	23,867	(12,187)	5,848	<b>64,359</b>
Profit / (loss) for the period	-	-	-	21,705	447	22,151
<b>Balance at 31 March 2011</b>	10,179	36,653	23,867	9,518	6,294	<b>86,511</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 2010</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>
Profit / (loss) for the period	-	-	-	(191,730)	(191,730)
<b>Balance at 31 December 2010</b>	10,179	36,653	25,244	(54,065)	<b>18,011</b>
Profit / (loss) for the period	-	-	-	12,353	12,353
<b>Balance at 31 March 2011</b>	10,179	36,653	25,244	(41,712)	<b>30,364</b>

The notes on pages 7 to 23 are an integral part of this consolidated financial information.

## Cash flow statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
<b>Cash flows from operating activities</b>					
Cash generated from operations	13	6,135	7,425	3,993	5,575
Interest paid		(4,067)	(7,051)	(2,530)	(4,960)
Income tax paid		(271)	(807)	(97)	(390)
<b>Net cash generated from operating activities</b>		<b>1,797</b>	<b>(433)</b>	<b>1,367</b>	<b>225</b>
<b>Cash flows from investing activities</b>					
Additions in investment property (acquisitions & development)	5	(621)	(753)	(621)	(753)
Proceeds from sale of investment property		-	8,893	-	7,559
Interest inflow			1		
<b>Net cash used in investing activities</b>		<b>(621)</b>	<b>8,141</b>	<b>(621)</b>	<b>6,807</b>
<b>Cash flows from financing activities</b>					
Inflows / (outflows) - derivatives		-	(1,252)	-	(1,252)
Borrowings inflows		1,819	2,125	806	1,425
Borrowings payback		(3,532)	(10,426)	(2,434)	(8,596)
<b>Net cash used in financing activities</b>		<b>(1,713)</b>	<b>(9,553)</b>	<b>(1,628)</b>	<b>(8,423)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>					
		<b>(536)</b>	<b>(1,845)</b>	<b>(883)</b>	<b>(1,392)</b>
Cash and cash equivalents at beginning of the period		1,459	4,200	1,166	3,392
<b>Cash and cash equivalents at end of the period</b>		<b>923</b>	<b>2,355</b>	<b>283</b>	<b>2,000</b>

The notes on pages 7 to 23 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 condensed company and consolidated statement of financial position of Babis Vovos International Construction S.A (“Company”) and its subsidiaries (together “BVIC” or “Group”) as of 31 March 2011, the related condensed company and consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended as well as the selected explanatory notes.

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 interim condensed financial information has been approved for issue by the Board of Directors on May 30<sup>th</sup>, 2011.

### 2 Basis of preparation

This interim condensed financial information for the Company and the Group refers to the three months ended 31 March 2011. It has been prepared by management in accordance with the International Accounting Standard (“IAS”) 34.

The interim condensed financial information for the three months ended 31 March 2011 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 2010.

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 interim financial statements and the respective amounts in the selected explanatory notes as well as the totals are due to roundings.

The interim condensed financial information should be taken into consideration together with the audited consolidated financial statements for the year ended 31 December 2010 which are published to the Company’s website.

Taxes on income in the interim condensed financial information are accrued using the tax rate that would be applicable to expected total annual earnings. During the first quarter of 2011, changes were announced and enacted referring to the corporate income tax rates. Consequently, the income tax rate for the company and its subsidiaries with the exception of the subsidiary “Babis Vovos International Construction S.A. & Co GP” is set at 20%.

The financial crisis and specifically the fast increase of investment risk in coordination with the fast decrease of loan facilities provided to companies and individuals has a negative effect on the property market in international and local level. Specifically, there is a negative effect on the projected cash flows, the financing cost of the company and its loan facilities levels. Additionally, the suspension of construction works at its largest project until today in Votanikos has created additional difficulties in the financial position of the company. Due to the

above facts the Group and the company have negative working capital by € 238,734 thousand and € 224,580 thousand respectively due to the increase short term borrowings of the company amounting to € 215,785 thousand.

Despite the above described facts, the company management remains certain that the matter of the joint regeneration of Votanikos – Alexandras Avenue will be resolved shortly (Note 5). Company management is negotiating with the intervening banks regarding the extension of the repayment schedule of all the short term bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks cooperating with the Group gave to the company an extension for the repayment schedule of their loan contracts at least up to 31/12/2011. Taking the anticipated positive development for the Votanikos project for granted, company management considers that the conditions necessary for the extension of the repayment schedule and the additional facility for the completion of the construction will be secured. Company management also considers that all the above will have a positive result in the coming months.

The company and consolidated financial statements have been prepared using generally accepted accounting principles applicable to a going concern. They do not include any adjustments to reflect the possible future effects on Assets and Liabilities and Equity as far as their recoverability and classification is concerned, that may result from the outcome of the Company's inability to continue its business activities as a going concern.

### **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 financial year and subsequent years. 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 year**

##### **IAS 24 (Revised) "Related Party Disclosures"**

This amendment attempts to reduce 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. This revision does not affect the Group's financial statements.

##### **IAS 32 (Amendment) "Financial Instruments: Presentation"**

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 relevant to the Group.

##### **IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"**

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.

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**IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”**

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.

**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 do not have a material impact on the Group’s financial statements.

**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.

**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.

**IFRIC 13 “Customer Loyalty Programmes”**

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

**Standards and Interpretations effective from periods beginning on or after 1 January 2012**

**IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

**IAS 12 (Amendment) “Income Taxes”** (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

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

IFRS 9 is the first Phase of the Board’s project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. 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.

**IFRS 13 “Fair Value Measurement”** (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

**IFRS 11 “Joint Arrangements”**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

**IFRS 12 “Disclosure of Interests in Other Entities”**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s

interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

#### **IAS 27 (Amendment) “Separate Financial Statements”**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

#### **IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

IAS 28 “*Investments in Associates and Joint Ventures*” replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

## **4 Segment Reporting**

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

The review of the business segments is being realised under the management approach. More specifically:

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>st</sup>, 2011, 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 of receivables, 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 2011 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	-	97	9,417	9,514
<b>Adjusted Operating profit / (loss)</b>	<b>1,526</b>	<b>(270)</b>	<b>32,236</b>	<b>33,492</b>

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	-	649	13,037	13,686
<b>Adjusted Operating profit / (loss)</b>	<b>(9)</b>	<b>227</b>	<b>2,686</b>	<b>2,904</b>

The segment assets at 31 March 2011 are as follows:

Unaudited figures. All amounts in euro thousands

	<b>31 March 2011</b>			
	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Total Assets	252,071	1,204	680,781	937,057

The segment assets at 31 December 2010 are as follows:

Unaudited figures. All amounts in euro thousands

	<b>31 December 2010</b>			
	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Total</b>
Total Assets	252,585	1,292	652,084	905,960

The segment assets provided to the Chairman of the BoD are measured according to the same accounting standards and policies followed for the preparation and presentation of the financial statements. These assets are allocated based on the operations of the segments.

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

Unaudited figures. All amounts in euro thousands

	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>
<b>Adjusted Operating profit / (loss)</b>	<b>33,492</b>	<b>2,904</b>
Administrative personnel costs	(893)	(888)
Depreciation	(36)	(43)
Other administrative expenses	(404)	(221)
Other profit / (loss) net	3,895	2,718
<b>Operating profit</b>	<b>36,053</b>	<b>4,470</b>
Finance revenue	4,612	
Finance expenses	(9,441)	(7,573)
<b>Profit / (loss) before income tax</b>	<b>31,224</b>	<b>(3,103)</b>

## 5 Investment property

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>	<b>Company</b>
<b>At beginning of period (01.01.2010)</b>	1,128,340	778,759
Additions in investment property / additions in construction costs	1,893	1,893
Disposal	(14,293)	(7,559)
Loss from disposal of investment property	(9,727)	(4,177)
Net gain from fair value adjustments on investment property	(276,763)	(195,354)
<b>At end of period (31.12.2010)</b>	<b>829,450</b>	<b>573,561</b>
Additions in investment property / additions in construction costs	621	621
Net gain from fair value adjustments on investment property	28,462	20,065
<b>At end of period (31.03.2011)</b>	<b>858,533</b>	<b>594,248</b>

The fair market value of Investment property was re-measured and adjusted at 31 March 2011 based on the Valuation Report by an independent professionally qualified valuer of Proprius S.A. (member of Cushman & Wakefield Alliance). 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>	
	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>
Rental income from investment property	8,068	9,405	5,234	6,322
Operating expenses arising from investment property	1,209	522	1,118	406

### *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 construction has not yet started since the management is targeting to a secure mandate in place either from a corporate tenant and/or a property buyer or investor before the beginning of the construction so as to make possible the financing of the development with both equity and debt. The completion of the project is expected to be 15 months after the beginning of the construction works. The land plot in Sounio, located at a particularly attractive location, has already generated significant interest from Greek and foreign investors.

#### 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 company examines the alternative of converting the hotel complex into medical resort, a concept gaining increased investing interest in Europe. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 March 2011 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. During the first months of 2011, the joint regeneration – Alexandras Avenue” program was forwarded as an amendment to the legislation on “Maritime Strategy For the Protection and Management of the Marine Environment – harmonization with the directive 2008/56/EC of the European Parliament and its Council of the 17th of June 2008” that was submitted by the Ministry of the Environment, Energy, and Climate Change, on May 10<sup>th</sup>, 2011. On May 25<sup>th</sup>, 2011 the appropriate Standing Committee on Production and Trade of the Parliament, completed the second reading of the bill which includes the amendment to the Joint Regeneration Project of Votanikos - Alexandras Avenue and is expected for debate and vote in the Parliament.

The total fair value of the Votanikos project (land and construction in progress) is € 144.7 million and 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.

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 during 2012.

At 31 March 2011, the fair value of the land plot in Votanikos amounted to € 98,718 thousand. The construction cost of the project, at 31 March 2011, amounted to € 46,009 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 2011.

At 31 March 2011, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Group investment property includes buildings valued at € 551,499 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 459,635 thousand. (For 31.12.2010: buildings valued at € 530,980 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 462,618 thousand).

## 6 Borrowings

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<b>Non - current</b>				
Bank Borrowings	39,887	41,297	36,722	38,670
Finance lease liabilities	482,898	489,192	320,869	321,725
	<u>522,786</u>	<u>530,490</u>	<u>357,591</u>	<u>360,395</u>
<b>Current</b>				
Bank Borrowings	203,903	196,529	199,835	192,187
Finance lease liabilities	21,317	22,456	15,950	17,910
	<u>225,220</u>	<u>218,985</u>	<u>215,785</u>	<u>210,097</u>
<b>Total borrowings</b>	<b><u>748,005</u></b>	<b><u>749,474</u></b>	<b><u>573,376</u></b>	<b><u>570,492</u></b>

Movements in borrowings are analysed as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>	<b>Company</b>
<b>At beginning of period (01.01.2010)</b>	<b>754,164</b>	<b>575,339</b>
Borrowings inflows (bank loans)	3,701	700
Borrowings inflows (finance leases)	1,151	1,151
Borrowings payback (bank loans)	(3,266)	(1,527)
Borrowings payback (finance leases)	(13,848)	(12,702)
Accrued interest	<u>7,572</u>	<u>7,531</u>
<b>At end of period (31.12.2010)</b>	<b><u>749,474</u></b>	<b><u>570,492</u></b>
Borrowings inflows (bank loans)	1,819	806
Borrowings payback (bank loans)	(711)	
Borrowings payback (finance leases)	(7,433)	(2,815)
Accrued interest	<u>4,855</u>	<u>4,894</u>
<b>At end of period (31.03.2011)</b>	<b><u>748,005</u></b>	<b><u>573,376</u></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 30 September 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 € 328,057 thousand (31 December 2010: € 326,680 thousand) for the Group and € 261,771 thousand (31 December 2010: € 256,394 thousand) for the company.
- the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 23,677 thousand (31 December 2010: 23,677 thousand) for the Group and € 19,304 thousand (31 December 2010: € 19,304 thousand) for the company.
- the inventories amounting to € 32,000 thousand (31 December 2010: 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.

The banks cooperating with the Group gave to the company an extension for the repayment schedule of their loan contracts at least up to 31.12.2011, taking the anticipated positive development for the Votanikos project into account.

The total fair value of the Votanikos project (land and construction in progress) as further described in Note 5 is € 144.7 million as at 31 March 2011 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 Derivatives

*Unaudited figures. All amounts in euro thousands*

Interest rate swaps held for trading	Consolidated		Company	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Non-current assets	0	0	0	0
Current assets	0	0	0	0
Non-current liabilities	21,914	28,018	21,914	28,018
Current liabilities	15,593	13,384	15,593	13,384

During the period ended at 31 March 2011, there was no significant amendment of the Group's interest rate swap agreements.

At 31 March 2011, the fair value of the liabilities from interest rate swap agreements was € 37,507 thousand (31 December 2010: € 41,402 thousand). Finance revenue of € 6,886 thousand and finance expense of € 64 thousand was recognised in the income statement.

At 31 March 2011, the fair value of the interest rate swap agreement classified at Assets was € 0.006 thousand (31 December 2010: € 0.303 thousand). Finance expense of € 0.145 thousand was recognised in the income statement.

## 8 Provisions

*Unaudited figures. All amounts in euro thousands*

	Consolidated	Company
At beginning of period (01.01.2010)	<u>1,057</u>	<u>517</u>
At end of period (31.12.2010)	<u>1,057</u>	<u>517</u>
At end of period (31.03.2011)	<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 2011, no provision for litigation and claim against the companies of the Group was formed.

## 9 Revenue

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
Rental income	9,417	13,037	6,471	9,125
Construction work	97	649	97	649
	<u>9,514</u>	<u>13,686</u>	<u>6,568</u>	<u>9,774</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.

## 10 Operating profit

During the period ended 31 March 2011, 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.

## 11 Income tax expense

*Unaudited figures. All amounts in euro thousands*

	Consolidated		Company	
	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
Income Tax	179	271	-	-
Deferred income tax	8,893	(269)	5,942	(62)
	<u>9,072</u>	<u>1</u>	<u>5,942</u>	<u>(62)</u>

During the first quarter of 2011, changes were announced and enacted referring to the corporate income tax rates. Consequently, the income tax rate for the company and its subsidiaries with the exception of the subsidiary "Babis Vovos International Construction S.A. & Co GP" is set at 20%.

Deferred tax shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Tax rates used for the measurement are defined by tax laws and the respective tax rates announced and enacted by the balance sheet date.

The deferred tax expense / (income) is analysed as follows:

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>		<b>Company</b>	
	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>
Deferred tax expense / (income) resulting from changes in tax rates	953	-	849	-
Deferred tax expense / (income) due to origination and reversal of temporary differences	7,940	(269)	5,093	(62)
Deferred tax expense / (income) for the period	8,893	(269)	5,942	(62)

## 12 Earnings per share

*Unaudited figures. All amounts in euro thousands*

	<b>Consolidated</b>		<b>Company</b>	
	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>	<b>01/01/2011 - 31/03/2011</b>	<b>01/01/2010 - 31/03/2010</b>
Net profit attributable to shareholders	21,705	(3,115)	12,353	(2,609)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	0.64	(0.09)	0.36	(0.08)

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	
	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
Profit before income tax	31,224	(3,103)	18,296	(2,672)
Adjustments for:				
– depreciation and amortisation	91	98	51	58
– disposal of PPE	157	-	157	-
– net (gain) / loss from fair value adjustment on investment property	(28,462)	-	(20,065)	-
– net (gain) / loss from disposal of investment property	-	4,914	-	4,177
– Increase in retirement provision	(101)	68	(105)	66
– interest expense	9,441	7,573	7,297	5,766
– interest revenue	(4,612)	(0)	(381)	(0)
– (income) / loss from derivatives	(3,895)	(2,718)	(3,895)	(2,718)
– dividend (income) / loss	-	-	(2)	(811)
Changes in working capital:				
– trade and other receivables	(1,985)	(839)	(1,431)	118
– inventories	(620)	(1,724)	(620)	(1,724)
– payables	4,896	3,155	4,691	3,316
Cash generated from operations	6,135	7,425	3,993	5,575

### 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 € 5,654 thousand (2010: € 6,369 thousand) and € 2,531 thousand (2010: € 2,595 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 March 2011, there were pending court decisions over injunctions filed against the Group from third parties amounting to € 4,006 thousand (2010: € 4,006 thousand) for which a total provision of € 1,057 thousand (2010: € 1,057 thousand) for the Group and € 517 thousand (2010: € 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 2011, there also were pending court decisions over injunctions filed by the Group against third parties amounting to € 15,775 thousand (2010: € 15,775 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 2008, '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 2007. 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 € 5,126 thousand.

## 15 Related-party transactions

At 31 March 2011, 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	
	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010	01/01/2011 - 31/03/2011	01/01/2010 - 31/03/2010
<b>Sales of goods and services</b>				
<i>Sales of services</i>				
Promise Cafe Ltd.	20	28	-	-
The Greek Coffee Company S.A.	8	23	-	-
	<u>27</u>	<u>51</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	-	-	33	31
Services of key management personnel	27	27	27	27
	<u>27</u>	<u>27</u>	<u>59</u>	<u>58</u>
<b>Key management compensation</b>				
Salaries and other short term employee benefits	291	258	291	258
	<u>291</u>	<u>258</u>	<u>291</u>	<u>258</u>

Year-end balances arising from sales/purchases of goods/services	Consolidated		Company	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<i>Receivables from related parties</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	37,888	37,793
Innovative Buildings S.A	386	386	-	-
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	11,324	11,324	5,329	5,329
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	25	30	-	-
The Greek Coffee Company S.A.	940	932	716	716
Key management personnel <sup>(1)</sup>	20,901	20,901	20,886	20,886
	<u>34,128</u>	<u>34,125</u>	<u>65,362</u>	<u>65,268</u>
<i>Payables to related parties</i>				
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	1,633	1,634
Doma S.A	-	-	8,916	8,916
International Palace Hotel S.A	-	-	3,846	3,847
Atrina Special Purpose 1 S.A.	-	-	50	51
Alteco S.A	-	-	13,795	13,716
Elfinko S.A.	-	-	25,615	25,598
Key management personnel	967	760	967	760
	<u>967</u>	<u>760</u>	<u>54,821</u>	<u>54,522</u>

Note 1: An amount of €€20,330 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.

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 2011 is as follows:

	Consolidated		Company	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Number of employees	305	398	299	390

## **17 Events after the balance sheet date**

### **1. Votanikos project update**

The joint regeneration – Alexandras Avenue” program was forwarded on the 12th of May 2011, revoted upon in parliament, as an amendment to the legislation on “Maritime Strategy For the Protection and Management of the Marine Environment –harmonization with the directive 2008/56/EC of the European Parliament and its Council of the 17th of June 2008” that was submitted by the Ministry of the Environment, Energy, and Climate Change, on the 10 of May 2011.

On May 25, 2011 the appropriate Standing Committee on Production and Trade of the Parliament, completed the second reading of the bill which includes the amendment to the Joint Regeneration Project of Votanikos - Alexandras Avenue and is expected for debate and vote in the Parliament.