



Eurobank Properties REIC

CONSOLIDATED AND COMPANY FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

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

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Statement of the members of the Board of Directors
(according to the article 4, par.2 of the Law 3556/2007)

To the best of our knowledge, the Annual Report of Eurobank Properties REIC for the year ended 31 December 2009 comply with applicable accounting standards, and present fairly the assets, liabilities, equity and results of the Company and the Group.

Furthermore, to the best of our knowledge, the Report of the Directors for the year presents fairly the development, the performance and the status of Eurobank Properties REIC and the Group, including the major risks and uncertainties they face.

Athens, 28 January 2010

Nikolaos A. Bertzos

Georgios Chryssikos

Leonidas Theoklitos

Chairman of the BoD

General Manager &
Executive Member of the BoD

Non Executive Member
of the B.o.D.

All amounts expressed in €'000s unless otherwise stated

DIRECTORS' REPORT OF
«EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY»
FOR THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2009

Dear Shareholders,

According to Law N. 3556/2007, Law K.N.2190/1920 and the decisions of the Hellenic Capital Market Commission 4/507/28.04.2009 we present the Annual Board of Directors' report of Eurobank REIC Consolidated and Company Financial Statements for the year ended December 31, 2009. The report contains the information required from paragraph 7 & 8 of article 4 of Law N. 3556/2007, the Consolidated and Company Financial Statements based on IFRS, and the audit opinion of the independent auditors.

Financial Position of the Group

The financial year 2009 that relates to the period 01/01/2009 to 31/12/2009, was a year of stability and establishment for the Group as one of the most important Real Estate Company not only in Greece but also in Southeastern Europe. We followed a conservative strategy, having as a main concern maintaining liquidity, managing our portfolio of commercial investment properties and also strengthening it with selective placements in high quality properties with long term leases and significant prospects for fair value gains.

As a result we increased the Group's profits during a tough period not only for the Real Estate Sector but the Greek and the International Economy as a whole. We should also note that our financials result for 2009 have been affected by an additional amount of €2.480 from the imposition of the extraordinary tax.

As at December 31, 2009 our portfolio consists of 58 properties. The majority of the property is located in Greece and more specifically 37 are in Athens. In addition 15 properties are located in other Greek major cities like Thessaloniki, Patra, Volos, and Iraklio Crete. In Central and North Europe the Company also owns two (2) commercial properties in Serbia, three (3) in Romania and one (1) in Ukraine.

As at December 31, 2009, the Groups portfolio consists of 326.109 square meters with a total fair value amounting to €669.000 as valued from the Body of Sworn-In Valuers of Greece (SOE).

Revenue: The Group's revenue for the period ending December 31, 2009 amounted to €42.757 (which includes gain from sale of three investment properties amounting to €720 as well as revenue from service charges of €1.081) compared to €39.229, an increase of €3.528 or 8.99%. The increase is mainly due to rental income amounting to €40.956 compared to €38.650 an increase of €2.306 or 5.97%.

The increase of €2.306 is mainly due to the maturing of the new investments abroad that were acquired in 2008.

Net gain from fair value adjustment on investment property: The Group's net gain from fair value adjustments for 2009 was € 4.533 compared to € 2.160 in the previous period an increase of €2.373 or 109,86%. Net gain from fair value adjustments as of 31 December 2009 include an amount € 9.955 from new investments (Praktiker and Tavros) which offset the losses incurred in the whole portfolio mainly from investments properties abroad amounting to €5.422. Furthermore net gain from fair value adjustment includes a fair value gain of €1.871 from the property on Vizantiou and Kaxramanoglou Avenue that was transferred from Property, plant and equipment to Investment property, in accordance with the amendment of IAS 40 "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment") and the amendment of the International Accounting Standards (IAS 40) applied by the Company which states that investment property under construction falls under the scope of IAS 40 and therefore measured at fair value.

Operating Profit: The Group's operating profit for the period ending December 31, 2009 amounted to €39.804 compared to €34.286 of the previous period. The Group's operation profit excluding fair value adjustments,

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amounted to €35.271 compared to €32.126 of the previous period an increase of €3.145 or 9,78%. The increase is mainly due to the increase in revenue of €3.528 while the operational expenses (excluding negative goodwill of € 2.167 that was recognized in 2008) have been significantly reduced.

Interest Income: The Group's interest income for the period ending December 31, 2009 amounted to €7.994 compared to €11.126 of the previous period, a decrease of € 3.132 or 28%. This decrease reflects the decrease of deposit rates in 2009.

Interest Expense: The Group's interest expense for the period ending December 31, 2009 amounted to €3.449 compared to €3.836 of the previous period, a decrease of € 387 or 10%. This decrease reflects the decrease of interest rates in 2009.

Income Tax Expense: The Group's income tax expense for the period ending December 31, 2009 amounted to €4.749 (which includes amount of €2.480 from the imposition of the extraordinary tax on profits of 2008 according to Law 3808/2009 and additional taxes of €357 referring to the fiscal year 2005 which arose from the tax audit of the fiscal years from 2005 up to and including 2007) compared to €3.152 of the previous period, an increase of €1.594 or 50.57%. As described in note 19 of the financial statements, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1%.

Profit after Tax: As a result of the above, the profit after tax for 2009 amounted to €39.603 compared to €38.424 of the previous year, an increase of €1.179 or 3%.

Own Shares: The Company in 2009 purchased 348.360 treasury shares with a total cost of €2.577 and average price €7,40 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 December 31,2008 the company did not own any treasury shares.

Basic Ratios

	31.12.2009	31.12.2008
Liquidity Ratio		
Current Ratio	9x	13x
Leverage Ratio		
Debt to Total Assets	14%	11%
LTV	15%	13%
Market NAV	€11,94	€11,85

All amounts expressed in €'000s unless otherwise stated

Fund from Operations

In order to get a better understanding of the performance of the Group's result, we will be using the metric Funds from Operations (FFO). The Funds from Operation metric rather than profit for the period is a better measure of performance for real estate investment funds:

	31.12.2009	31.12.2008	Μεταβολή	%
Fund from Operations (F.F.O.)	34.436	34.073	363	1,07%

Significant Events in the year

During the year ended 31 December 2009, the Company concluded the sale of three properties resulting in a gain of €720 in the period. The effect of these disposals will be a loss from rental income of €1.247 for the 2009 period.

On February 2, 2009 the Company signed a contract for the acquisition of an office use building in a central location of Athens from "ICAP GROUP S.A." The acquisition price for the property was €4.000 (excluding notaries and lawyers fees of €62), which was financed from the proceeds of the company share capital increase of December 2007.

On September 30, 2009 the Company completed the acquisition of three retail boxes leased to Praktiker Hellas S.A., affiliate of the German multinational Company Praktiker AG. The acquisition price for the three properties was €46.680 and was financed from the proceeds of the company share capital increase of December 2007.

On December 29, 2009 the Company completed the acquisition of 100% of the share capital of the Greek Company "Tavros Prototypos Anaptyxi S.A." The acquisition price for the company was €9.575. The Company had already paid an advance of €10.000 in 2008 and the amount of €425 was returned upon completion of the agreement in 2009. The Company's net debt amounted to €27.400.

OUTLOOK

With no doubt, during a period where the European Real Estate shows signs of stabilization, the current macroeconomic conditions in Greece have affected significantly not only Real Estate Companies but the commercial activity as a whole. During this period of depression we have to be patient and make selective placements. We expect a greater pressure in the high street retail market, while we believe that during 2010 attractive investment proposals will present themselves.

Our Company has all the necessary resources to realize its fundamental investment goal that is long term value for its investors. The high quality portfolio that produces steady income, low LTV and high liquidity establish the Company as a key player in the Greek and New Europe market.

SIGNIFICANT RISKS AND UNCERTAINTIES

Fluctuations in Property Values:

Fluctuations in property values, which are reflected in the Income Statement and Balance Sheet, are dependent on the market value of our commercial properties. During the reference period the Group recorded higher gains from fair value adjustments of properties, due to the new investments in 2009 which offset the losses incurred in the whole portfolio mainly from investments in properties abroad. The fluctuation of market values has a significant impact on Group profitability and assets. However, due to the long duration of leases and new tenants the impact on cash flow from investment properties will be less intense.

All amounts expressed in €'000s unless otherwise stated

Non-Performance of Tenants:

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

Interest rate risk

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

Inflation Risk

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

Regulatory and Compliance Risks:

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

External Environmental Factors

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

Related party transactions

All transactions with related parties are entered into in the normal course of business on an arm's length basis. Related party transactions as defined by IAS 24 of the Parent Company and the Group are fully disclosed in note 24 of the Consolidated and Company Financial Statements.

Additional information according to the article 4 par. 7 of the Law 3556/2007 and article 2 of the Decision 7/448/11.10.2007 Capital Market Commission – Explanatory Report

1. Structure of the Company's Share Capital

The Company's share capital amounts to €129,930,000.00, divided into 61,000,000 shares of nominal value of €2.13 each. All the shares are ordinary, nominal, with voting rights, and listed for trading in the Securities Market of the Athens Exchange ("Large Cap" Classification) and have all the rights and obligations as determined by the Law.

2. Limits of transfer of Company shares

The Company shares may be transferred as provided by the law and the Company's Articles of Association provide no restrictions as regards the transfer of shares.

3. Significant direct or indirect shares in the sense of articles 9 and 11 of Law 3556/2007.

All amounts expressed in €'000s unless otherwise stated

On 31.12.2009, EFG Eurobank Ergasias S.A. holds 55,54% of the share capital of the Company, Lamda Development S.A. holds 13,86% and REIB Europe Investments Ltd holds 5,82%. No other individual or legal entity holds more than 5% of the share capital.

4. Shares conferring special control rights

No Company shares exist that confer special control rights.

5. Limitations on voting rights

The Company's Articles of Association make no provisions for any limitations on voting rights.

6. Agreements among Company shareholders entailing limitations on the transfer of shares or limitations on voting rights.

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, with the exception of the 30.1.2006 agreement between EFG Eurobank Ergasias S.A., Lamda Development S.A. and REIB Europe Investment Ltd. In this agreement, the following terms can be considered, in a wider sense, as limitations on voting rights:

- Each of Lamda Development S.A. and REIB Europe Investment Ltd, has the rights to designate for appointment one member of the Board of Directors of the Company and one member of the Investment Committee and to replace such members during the term, as long as they hold more than 5% of the share capital of the Company.
- The decisions of the Investment Committee must be taken with unanimous vote of its members.

It is noted that if the shareholding of Lamda Development S.A. or REIB Europe Investment Ltd falls below 5% of the Company's share capital, the agreement shall be terminated in relation to such party. Moreover, in the case where EFG Eurobank Ergasias S.A. ceases to be the major shareholder, the agreement shall be terminated (in respect of all parties).

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

8. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company

The Board of Directors as well as its members have the following authority to issue new shares or to purchase company's own shares:

As of 13.03.2008 the regular General Meeting of the Shareholders has authorized the Board of Directors, in accordance with article 13 par. 14 of C.L. 2190/1920, for five (5) years, to prescribe stock options, according to par. 13 of article 13 of C.L. 2190/1920, to employees and members of the Company's Board of Directors and associated companies, potentially increasing share capital and issuing new shares. The resolution has not been implemented in the period due to the change in the institutional framework.

Authority of the Board of Directors or certain of its members for the acquisition of own shares

The Board of Directors is authorized to acquire own shares, according to the resolution of the regular General Meeting of the Shareholders on 16.03.2009 which has prescribed own shares acquisitions, in accordance with

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article 16 of C.L. 2190/1920, which is also authorised to regulate any issue for the implementation of this programme.

Members of the Board of Directors do not have the authority acquire own shares

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

10. Significant agreements with members of the Board of Directors or employees of the Company.

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.

Maroussi

January 28 2010

The Board of Directors

Nikolaos A. Bertzos

George Chryssikos

Leonidas Theoklitos

Chairman of the BoD

General Manager &
Executive Member of the BoD

Non Executive Member of
the BoD

All amounts expressed in €'000s unless otherwise stated

Independent Auditor's Report

To the Shareholders of Eurobank Properties R.E.I.C

Report on the Financial Statements

We have audited the accompanying financial statements of Eurobank Properties R.E.I.C (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group) which comprise the company and consolidated balance sheet as of 31 December 2009 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

All amounts expressed in €'000s unless otherwise stated

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

PRICEWATERHOUSECOOPERS 

Athens

January 29, 2010

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Balance sheet

	Note	Group		Company	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
ASSETS					
<i>Non-current assets</i>					
Investment Property	7	669.000	578.289	513.822	462.840
Property, plant and equipment	8	1.734	7.767	1.732	3.516
Goodwill and Intangible Assets		335	335	-	-
Investments in subsidiaries	9	-	-	69.768	61.908
Deferred tax asset		709	709	-	-
Other non-current assets	10	-	10.000	-	10.000
		671.778	597.100	585.322	538.264
<i>Non-current assets</i>					
Trade and other receivables	10	5.213	7.900	7.202	7.886
Cash and cash equivalents	11	166.848	204.142	159.288	199.962
		172.061	212.042	166.490	207.848
Total assets		843.839	809.142	751.812	746.112
SHAREHOLDERS' EQUITY AND LIABILITIES					
<i>Capital and reserves</i>					
Share capital	12	129.188	129.930	129.188	129.930
Share premium	12	464.914	466.749	464.914	466.749
Other reserves		9.335	7.058	8.566	6.549
Revaluation Reserve	8	558	-	558	-
Retained earnings		122.449	116.670	114.955	108.336
Total shareholders' equity		726.444	720.407	718.181	711.564
Deferred income		145	203	145	203
<i>Non-current liabilities</i>					
Borrowings, including finance leases	13	97.445	71.980	20.463	22.598
		97.445	71.980	20.463	22.598
<i>Current liabilities</i>					
Trade and other payables	14	12.324	10.072	7.558	8.263
Dividends payable		29	26	29	26
Current income tax liabilities	19	3.436	2.026	3.234	1.943
Borrowings, including finance leases	13	4.016	4.428	2.202	1.514
		19.805	16.552	13.023	11.746
Total liabilities		117.395	88.735	33.631	34.547
Total shareholders' equity and liabilities		843.839	809.142	751.812	746.112

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Income Statement

	Note	Group		Company	
		Year ended 31/12/2009	Year ended 31/12/2008	Year ended 31/12/2009	Year ended 31/12/2008
Revenue					
Rental Income	15	42.037	39.229	32.847	32.634
Gain from sale of investment property		720	-	720	-
		42.757	39.229	33.567	32.634
Net gain from fair value adjustment on investment property	7	4.533	2.160	9.474	(795)
Repair and maintenance costs		(508)	(269)	(424)	(269)
Management fee		(1.163)	(2.054)	(809)	(1.845)
Other direct property relating expenses	16	(2.717)	(2.967)	(1.471)	(2.024)
Employee benefit expense	17	(1.431)	(1.585)	(1.420)	(1.585)
Depreciation of property, plant and equipment	8	(47)	(39)	(47)	(38)
Other income		681	2.230	662	46
Other expenses	18	(2.301)	(2.419)	(1.310)	(1.358)
		39.804	34.286	38.222	24.765
Operating profit (EBIT)					
Interest income		7.994	11.126	7.941	11.091
Finance costs		(3.449)	(3.836)	(1.151)	(1.566)
Profit before income tax		44.349	41.576	45.012	34.290
Income tax expense	19	(4.746)	(3.152)	(4.659)	(3.886)
Profit for the period		39.603	38.424	40.353	30.404
Earnings per share (expressed in € per share)					
- Basic and Diluted	21	0,65	0,63	0,66	0,50

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Statement of Comprehensive Income

	Group Year ended		Company Year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Profit for the period	39.603	38.424	40.353	30.404
Other comprehensive income/(losses) after tax				
Exchange rate differences transferred to income/(losses) after taxes	170	(65)	-	-
Other comprehensive income for the period	170	(65)	-	-
Total Comprehensive income for the period	39.773	38.359	40.353	30.404
Total Comprehensive income for				
- Shareholders (Owners of the parent)	39.773	38.359	40.353	30.404
- Minority interest	-	-	-	-
Total Comprehensive income after taxes	39.773	38.359	40.353	30.404

The Consolidated and Company Financial Statements were approved by the Board of Directors on 28 January 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 1/1/2008	129.930	466.749	5.124	99.155	700.958
Profit for the period	-	-	-	38.425	38.425
Other comprehensive income/(loss) after tax	-	-	-	-	-
Foreign exchange differences			414	(479)	(65)
Total comprehensive income/(loss) for the period	-	-	414	37.946	38.360
Transfer to reserves	-	-	1.520	(1.520)	-
Dividend relating to 2007 approved by the shareholders	-	-	-	(9.760)	(9.760)
Interim dividend relating to 2008 approved by the shareholders	20	-	-	(9.150)	(9.150)
Balance at 1/1/2009	129.930	466.749	7.058	116.670	720.407
Profit for the period	-	-	-	39.603	39.603
Other comprehensive income/(loss) after tax	-	-	-	-	-
Foreign exchange differences			260	(90)	170
Total comprehensive income/(loss) for the period	-	-	260	39.513	39.773
Acquisition of own shares	12	(742)	(1.835)	-	(2.577)
Revaluation reserve	8	-	-	558	558
Transfer to reserves		-	-	2.017	(2.017)
Dividend relating to 2008 approved by the shareholders	20	-	-	(22.570)	(22.570)
Interim dividend relating to 2009 approved by the shareholders	20	-	-	(9.147)	(9.147)
Balance at 31/12/2009	129.188	464.914	9.893	122.449	726.444

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 1/1/2008		129.930	466.749	5.029	98.361	700.069
Profit for the period		-	-	-	30.404	30.404
Other comprehensive income/(loss) after tax		-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	30.404	30.404
Transfer to reserves		-	-	1.520	(1.520)	-
Dividend relating to 2007 approved by the shareholders		-	-	-	(9.760)	(9.760)
Interim dividend relating to 2008 approved by the shareholders	20	-	-	-	(9.150)	(9.150)
Balance at 1/1/2009		129.930	466.749	6.549	108.336	711.564
Profit for the period		-	-	-	40.353	40.353
Other comprehensive income/(loss) after tax		-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	40.353	40.353
Acquisition of own shares	12	(742)	(1.835)	-	-	(2.577)
Revaluation reserve	8	-	-	558	-	558
Transfer to reserves		-	-	2.017	(2.017)	-
Dividend relating to 2008 approved by the shareholders	20	-	-	-	(22.570)	(22.570)
Interim dividend relating to 2009 approved by the shareholders	20	-	-	-	(9.147)	(9.147)
Balance at 31/12/2009		129.188	464.914	9.124	114.955	718.181

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company cash flow statement

	Note	Group		Company	
		1/1 – 31/12/2009	1/1 – 31/12/2008	1/1 – 31/12/2009	1/1 – 31/12/2008
Cash flows from operating activities					
Profit before income tax		39.603	38.424	40.353	30.404
Adjustments for:					
Other gains and losses		(680)	(2.810)	(573)	(46)
Provisions		(108)	1.096	(108)	669
Interest income		(7.994)	(11.126)	(7.941)	(11.091)
Finance costs		3.449	3.836	1.151	1.556
Income tax expense		4.745	3.152	4.659	3.886
Depreciation of property, plant and equipment	8	47	39	47	38
Net gain in fair value of investment property	7	(4.533)	(2.160)	(9.474)	795
Changes in working capital					
(Increase) / decrease in receivables		2.794	(669)	684	769
Increase / (decrease) in payables		902	(4.613)	(2.266)	(3.396)
Cash generated from operations		38.225	25.169	26.532	23.584
Interest paid		(3.058)	(3.941)	(761)	(1.556)
Income tax paid		(3.379)	(3.434)	(3.293)	(3.434)
Net cash generated from operating activities		31.788	17.794	22.478	18.594
Cash flows from investing activities					
Purchases of investment property		(50.740)	(40.905)	(50.740)	(36.725)
Purchases of investment property under development		-	-	-	(3.917)
Subsequent capital expenditure on investment property		(5.742)	(687)	(302)	(346)
Refund from final price calculation of investment in subsidiaries		3.148	-	3.148	110
Disposals of investment property	7	12.640	-	12.640	-
Purchases of property, plant and equipment	8	(98)	-	(98)	-
Advances for the acquisition of investment properties and foreign subsidiaries	10	-	(10.000)	-	(10.000)
Loans due from subsidiaries		-	-	-	(910)
Interest received		8.499	11.126	8.442	11.091
Net cash used in investing activities		(32.293)	(40.466)	(26.910)	(40.697)
Cash flows from financing activities					
Purchases of treasury shares		(2.577)	-	(2.577)	-
Proceeds from issuance of ordinary shares		-	(748)	-	(748)
Proceeds from borrowings		2.200	3.800	-	-
Repayments of borrowings		(4.841)	(13.444)	(1.951)	(13.444)
Dividends paid to company shareholders	20	(31.714)	(18.906)	(31.714)	(18.906)
Net cash used in financing activities		(36.932)	(29.298)	(36.242)	(33.098)
Net (decrease) / increase in cash and cash equivalents		(37.437)	(51.970)	(40.674)	(55.201)
Cash and cash equivalents at the beginning of the year		204.142	256.112	199.962	255.163
Exchange gains / (losses) on cash and cash equivalents		143	-	-	-
Cash and cash equivalents at the end of the year	11	166.848	204.142	159.288	199.962

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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 19 (31/12/2008: 17)

These Consolidated and Company Financial Statements have been approved for issue by the Board of Directors on January 28, 2010.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

These consolidated and company financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and International Financial Reporting Standards issued by the IASB.

Preparation of consolidated and company financial statements

The consolidated and company financial statements have been prepared under the historical cost convention, as modified for the fair value of investment properties. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. For the current period the Group applied the amendments of I.A.S. 1, I.F.R.S. 8 and I.A.S. 40 effective for annual periods beginning on 1 January 2009. The effect on the financial statements of the amendments are presented in notes 6 and 7.

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

Standards effective for year ended 31 December 2009

IFRS 8 “Operating Segments”

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity’s chief operating

Notes to the Financial Statements

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decision maker and are reported in the financial statements based on this internal component classification. The Group applied IFRS 8 from January 2009.

IAS 1 (Revised) «Presentation of Financial Statements»

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with “other comprehensive income”, and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group applied these amendments and made the necessary changes to the presentation of its financial statements in 2009.

IFRS 7 (Amendment) «Financial instruments – Disclosures»

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As these changes only result in additional disclosures, there is no impact on earnings per share.

IAS 40 (Amendment) «Investment property» (and consequential amendments to IAS 16 «Property, plant and equipment»)

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

IAS 23 (Revised) «Borrowing Costs»

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. This amendment does not impact the Group.

Interpretations effective for year ended 31 December 2009

IFRIC 15 - Agreements for the construction of real estate

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.

Standards effective after year ended 31 December 2009

IFRS 3 (Revised) «Business Combinations» και IAS 27 (Amended) «Consolidated and Separate Financial Statements» (effective for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change

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in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

IFRS 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.

Interpretations effective after year ended 31 December 2009

IFRIC 17 «Διανομή μη χρηματικών περιουσιακών στοιχείων στους μετόχους» (effective for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date.

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

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 of the results of the IASB's annual improvements project. These amendments have not yet been endorsed by the EU. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the

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Group's financial statements.

IFRS 2 «Share-Based payment» (effective for annual periods beginning on or after 1 July 2009)

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

IFRS 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»

Η τροποποίηση παρέχει πρόσθετη καθοδήγηση σχετικά με τον καθορισμό ως προς το αν η οικονομική οντότητα ενεργεί ως πρακτορευόμενος/εντολέας ή πράκτορας.

IAS 36 «Impairment of assets»

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

IAS 38 «Intangible Assets»

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

3 Accounting policies

3.1 Investment in Subsidiaries

Investment in subsidiaries are stated at cost less impairment.

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3.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether controls an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the General Manager of the Company.

3.4 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which income and expenses are translated at the rate of the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the closing entity and translated at the closing rate.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property comprises freehold land, freehold buildings and property held under finance leases. As at January 1, 2009 in accordance with the amendment of IAS 40 "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment") the group has reclassified property under construction from Property, plant and equipment to investment property. Property that is under construction or development for future use as investment property transferred from property, plant and equipment to investment property at their carrying amount and are subsequently measured at fair value as long as it can be reliably measured.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed as at 30 June and 31 December each year by independent professional valuers in accordance with the guidance issued by the International Valuation Standards Committee. As of 30 September onwards the valuations of investment property for the interim periods are based on the SOE valuations of the previous period ended.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continued to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas other, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed

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or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3.6 Property, Plant and equipment

All property, plant and equipment is stated in the balance sheet at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on the component approach, is calculated so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

Land	Nil
Buildings	50 years
Fixtures and equipment	4 – 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Until the adoption from the Group of IAS 23 «Borrowing costs» as at 1 January 2009 where the cost of borrowing for assets can be capitalized all financial expenses are recognized in the income statement.

a) Where the Group is the lessee

- (i) Operating lease – leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. There were no material operating leases for the periods covered by the financial statements.

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- (ii) Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease liability outstanding. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance charges are charged to the income statement. The investment properties acquired under finance leases are carried at their fair value.
- b) Where the Group is the lessor
- Operating lease – properties leased out under operating leases are included in investment property in the balance sheet (Note 7). The Group does not currently lease out properties under finance leases.

3.7 Impairment of assets

Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). There were no assets with indefinite lives nor any triggers that indicate that any assets subject to depreciation may be impaired during the period covered by these financial statements.

3.8 Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account of trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

3.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of six months or less.

3.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.11 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at cost using the effective interest rate method.

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3.12 Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.13 Current and deferred taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

With effect from 29 September 2005, when the Company obtained regulatory approval to operate as a real estate investment vehicle under Greek Law 2778/1999, the tax basis on which it will be subject to tax changed from an income tax basis to an asset based tax basis (see Note 19). Accordingly, with effect from the above date, no further temporary differences will arise requiring the recognition of deferred income tax assets or liabilities since the Company will no longer be subject to income taxes as a result of its change in tax status.

For the Group, temporary differences arise only in foreign subsidiaries and are subject to deferred tax.

3.14 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the Group, as a lessee, is contractually required to restore a leased in property to an agreed condition, prior to release by a lessor, provision is made for such costs as they are identified.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

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3.15 Revenue recognition

Revenue includes rental income and income from property trading.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

3.16 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the General Assembly of Shareholders.

3.18 Interest expense

Interest expenses for borrowings are recognised within 'finance costs' in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

3.19 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4 Financial risk management

4.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policy with respect to these financial instruments is described in Note 1.

Risk management is carried out by the Company's management based on the advice of the treasury and risk

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management departments within its parent company, EFG Eurobank Ergasias S.A.. Risk management primarily focuses on the identification and evaluation of financial risk, which includes the following specific areas: such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investing excess liquidity.

a) Market risk

i) Foreign exchange risk

The Group operates internationally but is not significantly exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from commercial transactions. However, recognised assets and liabilities are initially recognised in Euro, which is the Group's functional currency. The Group's exposure to foreign currency risk at 31 December 2009 and 2008 was not significant representing less than 8% of total assets and total liabilities for each respective year end. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

The Group's policy, in accordance with the legislation governing Greek REICs, is not to enter into any currency hedging transactions.

ii) Price risk

The Group is exposed to property price and market rental risks. In order to reduce price risk, the Group usually enters into long term operating lease arrangements with tenants for a minimum of 12 years under which annual rental increases are linked to the consumer price index plus a spread of up to 2%. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising deposits held at call and short term deposits with banks.

The Group's interest rate risk arises from long-term finance leases and bank borrowings (Note 13). Finance leases and bank borrowings which are all issued at variable rates expose the Group to cash flow interest rate risk.

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. Finance charges may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise. In order to reduce the Group's interest rate exposure under long term finance leases, contractual re-pricing dates are restricted to a maximum period of 3 months.

b) Credit risk

The Group has significant concentrations of credit risk with respect to cash balances and deposits held with banks and rental income received from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place to ensure that rental contracts are entered into with customers with an appropriate credit history and cash transactions are restricted to high-credit-quality financial institutions.

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group management aims to maintain flexibility in funding by keeping adequate cash and committed credit lines available. The Group has an unused credit facility of €53.300.

The Group's liquidity position is monitored on a regular basis by the management. A summary table is presented below with maturity of financial assets and liabilities.

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All amounts expressed in €'000s unless otherwise stated

	Group	
	Year ended 31 December	
	2009	2008
Financial assets - current		
Trade and other receivables – maturity within one year	5.213	7.900
Cash and cash equivalents – maturity within one year	166.848	204.142
	172.061	212.042
Financial Liabilities		
Financial liabilities – non-current		
Borrowings, including finance leases		
Between 1 and 2 years	4.345	4.808
Between 2 and 5 years	49.073	29.518
Over 5 years	44.027	37.654
	97.445	71.980
Current Liabilities		
Trade and other payables (including dividends payable)	12.353	10.098
Current income tax liabilities	3.436	2.026
Borrowings, including finance leases	4.016	4.428
	19.805	16.552
	117.250	88.532

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt ratio). This ratio is calculated as total borrowings (including finance leases) divided by total assets, as shown in the consolidated balance sheet. The regulatory regime governing Greek REICs permit Greek REICs to borrow up to 50% of the value of total assets, for acquisitions and improvements on properties. The Company's goal is to optimise its capital structure through effective use of debt financing.

The gearing ratios (debt ratios) as at December 31, 2009 and December, 31 2008 were as follows:

	Group	
	Year ended 31 December	
	2009	2008
Total borrowings (including finance leases)	101.461	76.408
Total assets	843.849	809.142
Gearing ratio	12,0%	9,4%

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

5 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Estimated of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group, based on the advice of its independent external valuers, determines the amount within a range of reasonable fair value estimates. In making their judgment, the Group considers information from a variety of sources including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

b) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The future rental rates are estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date.

Were the length of vacant periods to increase or decrease by 10% from management's estimates, the carrying amount of investment properties that are valued by the DCF method would be an estimated €2.320 lower or higher, respectively.

Were the discount rate used in the DCF analysis to increase or decrease by 10%, the carrying amount of investment properties would be an estimated €38.047 lower or €41.054 higher, respectively.

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining

Notes to the Financial Statements

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the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

The deferred tax assets recognised at 31 December 2009 have been based on future profitability assumptions over a five-year horizon. In the event of changes to these profitability assumptions the tax assets recognised may be adjusted.

5.2 Critical judgments in the Group's accounting policies

Classification of newly acquired properties that are being developed for future use as investment properties

The Group determines whether a property acquired with the intention of development as a future investment property should be initially recognised as property, plant and equipment or whether such property should be initially recognised as an investment property. In making such judgement, the Group considers whether the related development costs are significant, the period of time necessary to prepare a newly acquired property for its intended future use an investment properties and whether when the recognition of rental income commences. The Group considers each property separately in making its judgment.

The Group did not make any critical accounting judgments in 2009 or 2008.

6 Segment Information

a) Primary reporting format – business segments

For the year ended 31 December 2009:

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	22.040	4.569	6.715	7.632	40.956
Service charges	944	-	-	137	1.081
Gain from disposal of investment property	720	-	-	-	720
Total	23.704	4.569	6.715	7.769	42.757
RESULTS					
Net gain / (loss) from fair value adjustments	6.822	514	(1.164)	(1.639)	4.533
Other direct property relating expenses	(1.761)	(591)	(354)	(519)	(3.225)
Management fee	(635)	(213)	(128)	(187)	(1.163)
Finance costs	(2.918)	(61)	(371)	(99)	(3.449)
Revenue relating to investment property	25.212	4.218	4.698	5.325	39.453
Reconciliation of net profit for the period					
Revenue relating to investment property					39.453
Interest income					7.994
Other expenses					(3.779)
Other income					681
Income tax					(4.746)
Net profit for the period					39.603

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For the year ended 31 December 2008:

	Offices	Logistics	Retail	Mixed use	Group
REVENUE					
Rental revenue	20.021	4.500	4.468	9.661	38.650
Service charges	448	-	-	131	579
Gain from disposal of investment property	-	-	-	-	-
Total	20.469	4.500	4.486	9.792	39.229
RESULTS					
Net gain / (loss) from fair value adjustments	(2.312)	173	311	3.988	2.160
Other direct property relating expenses	(1.676)	(377)	(374)	(809)	(3.236)
Management fee	(1.064)	(239)	(237)	(513)	(2.053)
Finance costs	(3.021)	(194)	(401)	(220)	(3.836)
Revenue relating to investment property	12.396	3.863	3.785	12.238	32.264
Reconciliation of net profit for the period					
Revenue relating to investment property					32.264
Interest income					11.126
Other expenses					(4.044)
Other income					2.230
Income tax					(3.152)
Net profit for the period					38.424

Segment information for the year ended 31 December 2008 has been adjusted so as to follow IFRS 8 which as of 1 January 2009 supersedes IAS 14.

7 Investment Property

	Group	
	2009	2008
Year ended 31 December		
At the beginning of the period	578.289	488.299
Additions:		
- Direct acquisitions of investment property	50.740	86.750
- Acquisitions of subsidiaries other than through business combinations	37.060	-
- Subsequent capital expenditure on investment property	7.912	1.080
Transfer from property, plant and equipment upon adoption of IAS 40 (revised - note 8)	3.017	-
Transfer from property, plant and equipment – own use	869	-
Transfer to property, plant and equipment – own use	(1.501)	-
Disposal	(11.919)	-
Net gain / (loss) from fair value adjustments on investment property	4.533	2.160
At the end of the period	669.000	578.289

Notes to the Financial Statements

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Year ended 31 December	Company	
	2009	2008
At the beginning of the period	462.840	438.014
Additions:		
- Direct acquisitions of investment property	50.740	25.348
- Μεταγενέστερα κεφαλαιουχικά έξοδα για επενδύσεις σε ακίνητα	302	273
Transfer from property, plant and equipment upon adoption of IAS 40 (revised - note 8)	3.017	-
Transfer from property, plant and equipment – own use	869	-
Transfer to property, plant and equipment – own use	(1.501)	-
Disposal	(11.919)	-
Net gain / (loss) from fair value adjustments on investment property	9.474	(795)
At the end of the period	513.822	462.840

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 January 13, 2009 the Company, concluded the sale of a property located in the region of Kallithea. The price for the property was agreed to €9.900. The fair value estimated by the Body of Sworn-In Valuers of Greece (“SOE”) as of 31-12-2008 was €9.859. The property was acquired in 1999 and since then has been included in the Company’s portfolio. The realized profit from the sale of the property is €5.464 which has been recognized in the financial results of the Company as fair value gain during the holding period of the property while profit of €41 thousand has been recognized in the income statement of the period. The realized profit from the sale will be distributed in the following years.

On February 2, 2009 the Company signed a contract for the acquisition of an office use building in a central location of Athens from “ICAP GROUP S.A.” The acquisition price for the property was €4.000 (excluding notaries and lawyers fees of €62), which was financed from the proceeds of the company share capital increase of December 2007. The fair value as estimated by the Body of Sworn – In Valuers of Greece (SOE) is €4.034.

On May 29, 2009 the Company, concluded the sale of a property located in the region of Kalamaria Thessalonica. The price for the property was agreed at €990. The fair value estimated by the Body of Sworn-In Valuers of Greece (“SOE”) as of 31-12-2008 was € 674. Realized profit from the sale of the property of €316 has been recognized in the income statement of the period.

On June 30, 2009 the Company, concluded the sale of a property located in the region of Pagrati. The price for the property was agreed at €1.750. The fair value estimated by the Body of Sworn-In Valuers of Greece (“SOE”) as of 31-12-2008 was €1.388. Realized profit from the sale of the property amounting to €363 has been recognized in the income statement of the period.

On September 30, 2009 the Company, completed the acquisition of three retail boxes leased to Praktiker Hellas S.A., affiliate of the German multinational Company Praktiker AG. The acquisition price for the three properties was €46.680 and was financed from the proceeds of the company share capital increase of December 2007. The fair values as estimated by the Body of Sworn –In Valuers of Greece (SOE) is €47.400.

On December 29, 2009 the Company, completed the acquisition of 100% of the share capital of the Greek Company ‘Tavros Protypi Anaptyxi S.A.’ The acquisition price for the property was €37.062 that was calculated on assets free, debt free and liability free basis. Due to the existence of assets, liabilities and debts, the price to be paid amounted to €9.575 (excluding acquisition costs of €85) which was financed from the proceeds of the company share capital increase of December 2007. The Company’s net debt amounted to €27.4 million. The

Notes to the Financial Statements

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Company had already paid an advance of €10.000 in 2008 and the amount of €425 was returned upon completion of the agreement in 2009. In accordance with I.F.R.S. 3 the Group has recognized this transaction as purchase of investment property. According to the relevant valuation performed by the Body of Sworn –In Valuers of Greece (SOE) the fair value of the investment property is €39.062 and the Group recognised gain from fair value adjustment on investment property of €2.000 in the income statement of the period.

In accordance with the amendment of IAS 40 “Investment property” (and consequential amendments to IAS 16 “Property, plant and equipment”) the group has reclassified property under construction from Property, plant and equipment to Investment property. The amount recorded in transfer from property, plant and equipment above refers to the property under construction on Vizantiou and Kaxramanoglou Avenue amounting to €3.017. The amendment of IAS 40 (and consequential amendments to IAS 16 “Property, plant and equipment”), property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date of construction is completed and the date at which fair value becomes reliably measurable. As a result of applying the recent amendments to IAS 40, net gain from fair value adjustments includes a fair value gain of €1.871 from the property on Vizantiou and Kaxramanoglou Avenue.

8 Property, plant and equipment

Group

	Land and buildings	Fixtures and fittings	Property under development	Total
At 1 January 2008				
Cost	334	360	3.018	3.712
Accumulated depreciation	(7)	(218)	-	(225)
Net Book Value	327	142	3.018	3.487
Year ended 31 December 2008				
Opening net book value at 1 January 2008	327	142	3.018	3.487
Additions	-	69	4.250	4.319
Depreciation charge	(10)	(29)	-	(39)
Net Book Value 31 December 2008	317	182	7.268	7.767
At 31 December 2008				
Cost	334	429	7.268	8.031
Accumulated depreciation	(17)	(247)	-	(264)
Net Book Value	317	182	7.268	7.767
At 1 January 2009				
Cost	334	429	7.268	8.031
Accumulated depreciation	(17)	(247)	-	(264)
Net Book Value	317	182	7.268	7.767

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Year ended 31 December 2009

Opening net book value at 1 January 2009	317	182	7.268	7.767
Additions	-	99	-	99
Depreciation charge	(8)	(40)	-	(49)
Transfer to investment property	(317)	-	(7.268)	(7.585)
Transfer from investment property	1.501	-	-	1.501
Net Book Value 31 December 2009	1.493	241	-	1.734

31 December 2009

Cost	1.501	528	-	2.029
Accumulated depreciation	(8)	(287)	-	(295)
Net Book Value	1.493	241	-	1.734

Company

	Land and buildings	Fixtures and fittings	Property under development	Total
At 1 January 2008				
Cost	334	361	3.018	3.712
Accumulated depreciation	(7)	(218)	-	(225)
Net Book Value	327	143	3.018	3.487
Year ended 31 December 2008				
Opening net book value at 1 January 2008	327	143	3.018	3.487
Additions	-	67	-	67
Depreciation charge	(10)	(29)	-	(38)
Net Book Value 31 December 2008	317	181	3.018	3.516
At 31 December 2008				
Cost	334	428	3.018	3.780
Accumulated depreciation	(17)	(247)	-	(264)
Net Book Value	317	181	3.018	3.516
At 1 January 2009				
Cost	334	428	3.018	3.780
Accumulated depreciation	(17)	(247)	-	(264)
Net Book Value	327	181	3.018	3.516
Year ended 31 December 2009				
Opening net book value at 1 January 2009	317	181	3.018	3.516
Additions	-	98	-	98
Depreciation charge	(8)	(40)	-	(48)
Transfer to investment property	(317)	-	(3.018)	(3.335)
Transfer from investment property	1.501	-	-	1.501
Net Book Value 31 December 2009	1.493	239	-	1.732

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

At 31 December 2009

Cost	1.501	526	-	1.780
Accumulated depreciation	(8)	(287)	-	(295)
Net Book Value	1.493	239	-	1.732

Land and buildings in 2009 comprise of the freehold owner-occupied property as of July 6, 2009 located at Kifisias Avenue 117 & Ag. Konstantinou, Maroussi. Respectively, land and buildings in 2008 comprise of the freehold owner-occupied property located at 6 Siniosoglou Street, Nea Ionia. The fair value gain of €528 from the transfer of the owner occupied of Nea Ionia in fair value to investment property was transferred to reserves in accordance with IAS 40.

9 Investment in Subsidiaries

	<u>Country of incorporation</u>	<u>% of interest</u>	Investment in subsidiaries		Unaudited Tax fiscal years
			31/12/2009	31/12/2008	
Reco Real Property A.D.	Serbia	100%	18.339	20.139	2007-2009
Eliade Tower S.A.	Romania	99,99%	11.805	11.805	2006-2009
Retail Development S.A. (Σημείωση 7)	Romania	99,99%	4.561	4.561	2007-2009
Kalampokis Tours & Cargo S.A.	Greece	100%	3.917	3.917	2007-2009
Seferco Development S.A. (Note 7)	Romania	99,99%	21.486	21.486	2009
Tavros Protypi Anaptyxi S.A. (Note 7)	Greece	99,99%	9.660	-	2007-2009
			69.768	61.908	

At 31 December 2009 the final acquisition price of subsidiary Reco Real Property A.D. was concluded to €18.339. In 2009, amount of €1.800 which related to construction works paid by the company Reco Real Property A.D. and according to the agreement, reduced the final consideration for the purchase of the Company and cost of investment.

10 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade receivables	1.590	1.372	1.071	1.347
Receivables from related parties (Note 19)	334	485	3.918	3.454
Advances for the purchase of assets	-	10.000	-	10.000
Other receivables	3.289	6.043	2.213	3.085
	5.213	17.900	7.202	17.886
Less: non current portion	-	10.000	-	10.000
Current portion	5.213	7.900	7.202	7.886

Receivables from related parties as at 31 December 2009 include shareholders loans of €2.238 and €911 by the

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foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A., respectively (Note 24).

In July 2008 Company had signed a promissory contract for the purchase of 100% of the shares of the Greek Company "Tavros Protypi Anaptyxi S.A." from Dimand S.A for which an advance payment of €10.000 had been given. On December 29, the Company concluded the acquisition of 100% of the shares of the company "Tavros Protypi Anaptyxi S.A." (Note 7).

11 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Cash in hand	2	6	1	3
Cash at bank and short term deposits	166.846	204.136	159.287	199.959
	166.848	204.142	159.288	199.962

12 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 2008	24.400	51.972	221.962	273.934
At 31 December 2008	61.000	129.930	466.749	596.679
At 1 January 2009	61.000	129.930	466.749	596.679
Acquisition of own shares	(348)	(742)	(1.835)	(2.577)
At 31 December 2009	60.652	129.188	464.914	594.102

The total authorised number of ordinary shares is 61.000 (31 December 2008 – 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 2009 purchased 348.360 treasury shares with a total cost of €2.577 and average price €7,40 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 December 31,2008 the company did not own any treasury shares.

13 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:

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	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-current				
Bank borrowings	76.982	49.382	-	-
Finance lease obligations	20.463	22.598	20.463	22.598
Total non-current borrowings	97.445	71.980	20.463	22.598
Current				
Bank borrowings	1.814	-	-	-
Finance lease obligations	2.202	4.428	2.202	1.514
Total current borrowings	4.016	4.428	2.202	1.514
Total borrowings	101.460	76.408	22.665	24.112

The maturity of loans is as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Up to 1 year	4.016	4.428	2.202	1.514
From 2 to 5 years	53.418	34.327	9.888	11.561
Over 5 years	44.026	37.653	10.575	11.037
	101.460	76.408	22.665	24.112

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are limited to a maximum period of 90 days.

The effective interest rate is as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Bank borrowings	2,73%	5,62%	-	-
Finance lease obligations	2,69%	5,45%	2,69%	5,45%

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based current variable interest rates at the end of the current period.

The Group is not exposed to foreign exchange risk in relation to the loans undertaken, as all borrowings are denominated in the functional currency.

Minimum lease payments in respect of finance leases are as follows:

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All amounts expressed in €'000s unless otherwise stated

	Group and Company	
	31/12/2009	31/12/2008
Up to 1 year	2.690	2.589
From 2 to 5 years	8.717	16.132
Over 5 years	14.009	12.212
	25.416	30.933
Future finance charges on finance leases	(2.751)	(6.821)
	22.665	24.112
Present value of finance lease liabilities	22.665	24.112

The present value of finance lease liabilities is as follows:

	Group and Company	
	31/12/2009	31/12/2008
Up to 1 year	2.202	1.514
From 2 to 5 years	9.888	11.565
Over 5 years	10.575	11.033
	22.665	24.112
Present value of finance lease liabilities	22.665	24.112

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default (Note 7).

In the period ended December 31, 2009 the Group has undertaken a loan amount of €2.200. The loan has been undertaken by Seferco Development SA for financing further construction works in the investment property and is secured against the foresaid property.

Loans amounting to €27.315 have been acquired by the Group from the conclusion of the acquisition of the net assets of "Tavros Protypi Anaptyxi S.A." in December 2009. The loans are secured against the investment property of the company "Tavros Protypi Anaptyxi S.A.".

14 Trade and other payables

The analysis of trade and other payables is as follows:

	Όμιλος		Εταιρεία	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade payables	3.769	2.010	423	202
Other payables and accruals	6.181	3.465	5.023	3.463
Amounts due to related parties (Note 24)	2.374	4.597	2.112	4.598
	12.324	10.072	7.558	8.263

The Company for the period ended December 31, 2009 has received rental guarantees amounting to €3.103. Group other payables and accruals as at December 31, 2009 include a cumulative provision for bad debts amounting to €675 out of which €147 was recorded in the current period.

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15 Revenue

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Rental Income from investment properties	40.956	38.650	32.847	32.634
Service charges	1.081	579	-	-
Realised gain on sale of investment properties	720	-	720	-
	42.757	39.229	33.567	32.634

Service charges as at December 31, 2008 were included in Other income. The results as at December 31, 2008 have been adjusted as to be presented in Revenue.

The period of leases whereby the Group leases out its investment property (located in Greece) under operating leases is for a minimum 12 years term. Lease rentals are revised annually in accordance with the lease terms by reference to the consumer price index plus a spread up to 2%.

There were no contingent rental arrangements under the existing operating leases.

Rental income of the Group is not subject to seasonality.

Future aggregate minimum non-cancellable rentals receivable under operating leases, exclusive of future rental adjustments, were as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Up to 1 year	42.829	38.685	35.037	30.652
From 2 to 5 years	154.727	144.890	128.300	117.991
Over 5 years	243.688	208.103	200.309	167.236
	441.244	391.678	363.646	315.879

16 Other direct property related expenses

Other direct property related expenses comprise the following:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Valuation fees	275	314	275	314
Lawyer's fees	119	638	92	336
Property and other related taxes	767	234	479	234
Insurance expenses	334	488	247	581
Other expenses	1.222	1.293	378	559
	2.717	2.967	1.471	2.024

Other direct property expenses as at December 31, 2009 include provision of €240 for 2009 property tax payable in 2010. In addition, they include amount of €239 relating to 2008 paid in 2009.

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Property tax as at December 31, 2008 was included in Other expenses. The results of December 31, 2009 have been adjusted as to present the amount in other direct property related expenses.

Other direct property relating expenses incurred in leased and vacant properties were as follows:

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Leased property	2.627	2.943	1.381	2.000
Vacant property	90	24	90	24
	2.717	2.967	1.471	2.024

17 Employee Benefit Expense

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Wages and salaries	816	555	808	555
Social security costs	160	119	158	119
Other benefits	57	117	56	117
Bonus paid to employees	398	794	398	794
Σύνολο παροχών σε εργαζομένους	1.431	1.585	1.420	1.585

The amount of €398 includes a provision for 2009 bonuses amounting to €528 that will be paid in 2010. Furthermore, the balance includes a reversal of €130 relating to 2008 bonuses not distributed.

18 Other Expenses

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Professional fees	871	672	218	365
Advertising, publication and other related expenses	235	271	235	271
Non deductible VAT	374	505	374	436
Other	821	971	483	286
	2.301	2.419	1.310	1.358

19 Income Tax Expenses

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Current income tax	2.266	3.915	2.179	3.886
Extraordinary tax	2.480		2.480	
Deferred tax	-	(763)	-	-
	4.746	3.152	4.659	3.886

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

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rate of 10% of the aggregate European Central Bank reference rate plus 1% (The taxation formula is as follows: $10\% * (\text{ECB reference rate} + 1\%)$). The above tax is final and relieves the Company and its shareholders any further tax liabilities. The income tax for the period amounts to €2.266 and includes additional taxes of €357 339 referring to the fiscal year 2005 which arose from the tax audit of the fiscal years from 2005 up to and including 2007.

In addition, the Company has recognised in the income statement an amount of €2.480 of extraordinary taxes from the imposition of the extraordinary tax on profits of 2008 according to Law 3808/2009.

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 December 31, 2009.

20 Dividends per Share

On March 16, 2009 the Company's shareholders approved the payment of dividend for the year 2008 of € 31.720 including the interim dividend paid in December 2008 amounting to €9.150. On November 12, 2009 the Board of Directors proposed the distribution of interim dividend relating to 2009 of €0,15 per share. The total interim dividend paid amounted to €9.147.

21 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.

	Year ended	
	31/12/2009	31/12/2008
Profit attributable to equity holders of the Company	39.603	38.424
Weighted average number of ordinary shares in issue (thousands)	60.846	61.000
Basic earnings per share (€ per share)	0,65	0,63

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.

22 Contingent Liabilities

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

The tax authorities issued final tax assessments for both the Company and Eldepa during November 2005 for additional income taxes, VAT and penalties totalling €3.320 for the open tax years to December 31, 2004. The Company's management, based on the advice of its legal advisors, disputes additional assessments of incomes taxes, VAT and penalties totalling €2.874 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing law legislation, whilst other amounts assessed totalling €446

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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.

23 Capital Commitments

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Development of investment properties	-	3.380	-	-
Acquisition of local subsidiaries	-	40.350	-	40.350
	-	43.730	-	40.350

The amount in 2008 referred to the acquisition of 100% of the shares of the «Tavros Protypi Anaptixy S.A.» from Dimand S.A. On December 29, 2009 the Company concluded the acquisition 100% of the shares of the company «Tavros Protypi Anaptixy S.A.» (Note 7).

24 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 13,86% 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 44,09% 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

	Year ended	
	31/12/2009	31/12/2008
Rental revenue		
Parent (EFG Eurobank Ergasias S.A.)	11.183	11.199
Subsidiaries of parent company	6.539	1.501
	17.722	12.700

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b) Purchase of services

Group

	Year ended	
	31/12/2009	31/12/2008
Management fees		
Subsidiary of parent company (Eurobank Property Services)	1.163	668
Parent (EFG Eurobank Ergasias S.A.)	-	1.386
Valuations and Brokerage Fees		
Subsidiary of parent company (Eurobank Property Services)	264	419
	1.427	2.473

Company

	Year ended	
	31/12/2009	31/12/2008
Management fees		
Subsidiary of parent company (Eurobank Property Services)	808	491
Parent (EFG Eurobank Ergasias S.A.)	-	1.354
Valuations and Brokerage Fees		
Subsidiary of parent company (Eurobank Property Services)	264	324
	1.072	2.169

c) Financing incurred on borrowings

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Bank Borrowings				
Parent (EFG Eurobank Ergasias S.A.)	61	65	-	22
Subsidiary of Parent Company (EFG New Europe Funding BV)	-	157	-	-
Subsidiary of parent company (Eurobank EFG Stedionica A.D., Beograd)	110	57		
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	1.257	690		
Subsidiary of parent company (Bancpost S.A)	510	140	-	-
Finance Leases				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	645	1.344	645	1.344
	2.583	2.453	645	1.366

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

d) Interest income earned on cash and cash equivalents

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Parent (EFG Eurobank Ergasias S.A.)	7.166	10.992	7.166	10.992
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	20	7	-	-
Subsidiary of Parent Company (Eurobank EFG Luxemburg)	6	-	-	-
Subsidiary of parent company (SC Bancpost S.A)	2	-	-	-
	7.194	10.999	7.166	10.992

e) Transfers under financing arrangements:

	Group		Company	
	Year ended		Year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net cash transfers in/(out) under financing arrangements				
Parent (EFG Eurobank Ergasias S.A.)	-	-	-	-
Subsidiary of parent company (EFG New Europe Funding BV)	(800)	800	-	-
Subsidiary of parent company (Eurobank EFG Luxemburg)	2.771	21.291	-	-
Subsidiary of parent company (Eurobank EFG Stedionica A.D., Beograd)	-	1,700	-	-
Subsidiary of parent company (Bancpost S.A)	(390)	(130)	-	-
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(1.741)	(14.791)	(1.741)	(14.791)
	(160)	8.870	(1.741)	(14.791)

f) Key management compensation – Group and Company

	Year ended	
	31/12/2009	31/12/2008
Salaries and other short-term employee benefits	1.093	1.019

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

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade receivables from related parties				
Parent (EFG Eurobank Ergasias S.A.)	-	-	-	58
Subsidiaries	-	-	3.673	3.014
Other related parties	334	9	245	50
	334	9	3.918	3.122
Trade payables to related parties				
Parent (EFG Eurobank Ergasias S.A.)	1.577	1.796	1.577	2.340
Other related parties	797	463	535	2.197
	2.374	2.259	2.112	4.537
Borrowings, including finance lease obligations				
Parent (EFG Eurobank Ergasias S.A.)	1.700	-	-	-
Subsidiary of Parent Company (Bancpost S.A.)	267	12.487	-	-
Subsidiary of Parent Company (EFG New Europe Funding BV)	35.652	2.300	-	-
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	20.148	21.890	20.148	21.890
	57.767	36.677	20.148	21.890
Cash and cash equivalents				
Parent (EFG Eurobank Ergasias S.A.)	61.452	178.218	60.969	177.765
Subsidiary of Parent Company (Bancpost S.A.)	1.806	345	-	-
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1.202	506	-	-
	64.460	179.069	60.696	177.765

h) Commitments and contingent liabilities

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

25 Events after the balance sheet date

There were no significant events after the balance sheet date.