babis vovos

Babis Vovos International Construction S.A.

Interim Condensed Financial Information for the three months ended 31 March 2009 under IAS 34

Index

Balance sheet

Unaudited figures. All amounts in euro thousands

		Consolidated		Company	
	Note	31 March 2009	31 December 2008	31 March 2009	31 December 2008
ASSETS					
Non-current assets					
Investment property	5	1,212,607	1,212,018	825,499	824,096
Property, plant and equipment		10,680	10,826	1,975	2,080
Intangible assets		18,933	18,942	16,505	16,514
Investments		18	18	47,563	47,563
Derivative assets		1,153	1,791	1,153	1,791
Other non-current receivables	6	572	578	379	386
		1,243,963	1,244,174	893,074	892,429
Current assets					
Inventories		34,259	32,545	35,306	33,592
Trade and other receivables	6	80,649	85,746	100,165	105,921
Derivative assets		576	589	576	589
Cash and cash equivalents	7	7,919	12,858	6,965	11,174
		123,403	131,737	143,013	151,277
Total assets		**1,367,366**	**1,375,911**	**1,036,088**	**1,043,706**
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital		10,179	10,179	10,179	10,179
Share premium		36,653	36,653	36,653	36,653
Reserves		23,838	23,838	25,244	25,244
Retained earnings		338,432	338,455	175,682	175,868
		409,102	409,125	247,758	247,944
Minority interest		6,912	6,894	-	-
Total equity		**416,014**	**416,019**	**247,758**	**247,944**
LIABILITIES					
Non-current liabilities					
Borrowings	8	529,471	530,315	363,283	359,490
Deferred income tax liabilities	9	87,934	88,402	46,963	47,761
Retirement benefit obligations		2,433	2,475	2,299	2,346
Derivative liabilities	11	41,892	49,167	41,892	49,167
Other non-current liabilities	10	3,957	3,938	2,785	2,767
		665,687	674,297	457,223	461,532
Current liabilities					
Trade and other payables	10	27,453	27,450	101,101	102,409
Income tax		14,857	15,770	3,969	4,385
Borrowings	8	229,441	230,534	212,662	216,136
Dividend payable		456	456	456	456
Provisions for other liabilities & expenses	12	1,057	1,057	517	517
Derivative liabilities	11	12,402	10,328	12,402	10,328
		285,665	285,594	331,107	334,230
Total liabilities		**951,352**	**959,891**	**788,330**	**795,762**
Total equity and liabilities		**1,367,366**	**1,375,911**	**1,036,088**	**1,043,706**

The notes on page 7 to page 25 are an integral part of this interim financial information.

Income statement

Unaudited figures. All amounts in euro thousands

		Consolidated		Company	
	Note	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**
Revenue	13	14,366	14,529	9,586	10,875
Cost of sales		(8,109)	(10,116)	(6,086)	(9,166)
Gross profit		**6,257**	**4,414**	**3,500**	**1,709**
Net gain from fair value adjustment on investment property		-	5,401	-	2,865
Selling and marketing costs		(63)	(171)	(61)	(171)
Administrative expenses		(1,391)	(2,046)	(1,280)	(1,930)
Other gains		93	152	68	151
Other expenses		(103)	(15)	(94)	(1)
Operating profit		**4,794**	**7,735**	**2,133**	**2,622**
Gain / (Loss) from investment in subsidiaries		-	-	400	16,485
Finance revenue		4,587	1,467	4,584	1,462
Finance expenses		(9,852)	(26,873)	(8,101)	(23,871)
Finance expenses (net)		(5,266)	(25,406)	(3,517)	(22,409)
Profit before income tax		**(472)**	**(17,671)**	**(984)**	**(3,301)**
Income tax expense		467	11,439	798	5,263
Profit for the period		**(5)**	**(6,232)**	**(186)**	**1,961**
Attributable to:					
Equity holders of the Company		(23)	(6,252)	(186)	1,961
Minority interest		18	20	-	-
		(5)	(6,232)	(186)	1,961
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	15	**(0.00)**	**(0.18)**	**(0.01)**	**0.06**

The notes on page 7 to page 25 are an integral part of this interim financial information.

Statement of changes in equity

Unaudited figures. All amounts in euro thousands

Consolidated statement of changes in equity

	Attributable to equity holders of the Group				Minority interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
Balance at 1 January 2008	10,179	36,653	23,053	460,015	7,020	**536,920**
Profit / (loss) for the period	-	-	-	(6,252)	20	(6,232)
Balance at 31 March 2008	10,179	36,653	23,053	453,763	7,040	**530,688**
Profit / (loss) for the period	-	-	-	(114,523)	(146)	(114,669)
Transfer to statutory reserve	-	-	785	(785)	-	-
Balance at 31 December 2008	10,179	36,653	23,838	338,455	6,894	**416,019**
Profit / (loss) for the period	-	-	-	(23)	18	(5)
Balance at 31 March 2009	10,179	36,653	23,838	338,432	6,912	**416,014**

Company Statement of changes in equity

	Attributable to equity holders of the Company				Total equity
	Share capital	Share premium	Other reserves	Retained earnings	
Balance at 1 January 2008	10,179	36,653	25,244	276,912	**348,988**
Profit / (loss) for the period	-	-	-	1,961	1,961
Balance at 31 March 2008	10,179	36,653	25,244	278,874	**350,950**
Profit / (loss) for the period	-	-	-	(103,006)	(103,006)
Balance at 31 December 2008	10,179	36,653	25,244	175,868	**247,944**
Profit / (loss) for the period	-	-	-	(186)	(186)
Balance at 31 March 2009	10,179	36,653	25,244	175,682	**247,758**

The notes on page 7 to page 25 are an integral part of this interim financial information.

Cash flow statement

Unaudited figures. All amounts in euro thousands

		Consolidated		Company	
	Note	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008
Cash flows from operating activities					
Cash generated from operations	16	9,027	(43,599)	6,155	(52,722)
Interest paid		(8,895)	(12,864)	(7,518)	(10,810)
Income tax paid		(1,385)	(883)	(739)	(883)
Net cash generated from operating activities		**(1,253)**	**(57,345)**	**(2,103)**	**(64,416)**
Cash flows from investing activities					
Additions in investment property (acquisitions & development)	5	(1,403)	(20,218)	(1,403)	(17,458)
Proceeds from sale of investment property		707	-	-	-
Additions in property, plant and equipment & intangible assets		(0)	(85)	(0)	(72)
Interest inflow		10	221	6	220
Net cash used in investing activities		**(687)**	**(20,081)**	**(1,397)**	**(17,309)**
Cash flows from financing activities					
Inflows / (outflows) - derivatives		(257)	4,998	(257)	4,998
Borrowings inflows		28,400	63,087	28,400	27,491
Borrowings payback		(31,142)	(30,752)	(28,852)	(9,866)
Increase / (Decrease) of other short - term financing		-	(12,151)	-	(2,861)
Dividends paid to the Company's shareholders		-	(3)	-	(3)
Net cash used in financing activities		**(2,999)**	**25,180**	**(709)**	**19,759**
Net increase / (decrease) in cash and cash equivalents		**(4,938)**	**(52,247)**	**(4,209)**	**(61,966)**
Cash and cash equivalents at beginning of the period		12,858	92,706	11,174	76,429
Cash and cash equivalents at end of the period	7	**7,919**	**40,459**	**6,965**	**14,464**

The notes on page 7 to page 25 are an integral part of this interim financial information.

Notes on the interim condensed financial information

1 General information

The interim condensed financial information include the financial information of Babis Vovos International Construction S.A ("Company") as well as the consolidated financial information of the Group which includes financial information of the company and its subsidiaries (together "BVIC"or "Group") for the three months ended 31 March 2009.

The Group is a real estate development and management group with activities in Greece. It is principally involved in developing, managing and leasing out investment property under operating leases.

The Company is incorporated and domiciled in Greece and the address of its registered office as well as its headquarters are located at 340 Kifissias Avenue, N. Psychiko 154 51, Greece. The Group operates in Greece.

The company website is www.babisvovos.com.

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

The financial information of the Company and the Group for the three months ended 31 March 2009 has been approved for issue by the Board of Directors on May 28th, 2009.

2 Basis of preparation

This interim financial information for the Company and the Group refers to the three months ended 31 March 2009. It has been prepared by management in accordance with the International Accounting Standard ("IAS") 34 - Interim Financial Statements.

The interim consolidated financial information for the three months ended 31 March 2009 was prepared according to the same accounting standards and policies followed for the preparation and presentation of the financial statements for the Company and the Group for the year 2008 with the exception of the new standards, amendments to standards and interpretations indicated below (Note 3) .

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

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

The interim financial information should be taken into consideration together with the audited consolidated financial statements for the year ended 31 December 2008 which are published to the Company's website.

3 New standards, amendments to standards and interpretations

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

<u>Standards effective for year ended 31 December 2009</u>

IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present one statement. The interim financial statements have been prepared under the revised disclosure requirements.

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 decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

IAS 23 (Amendment) "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. The amendment will impact the Group as previously all borrowing costs were expensed.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations

The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group's financial statements.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items

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

<u>Interpretations effective for year ended 31 December 2009</u>

IFRIC 13 – Customer Loyalty Programmes

This interpretation clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

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.

IFRIC 16 - Hedges of a net investment in a foreign operation

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

Standards effective after year ended 31 December 2009

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

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

Interpretations effective after year ended 31 December 2009

IFRIC 17 "Distributions of non-cash assets to owners" (effective for annual periods beginning on or after 1 July 2009)

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

IFRIC 18 "Transfers of assets from customers" (effective for transfers of assets received on or after 1 July 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

4 Segment Reporting

Primary reporting format – business segments

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

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

At March 31, 2009, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

The management assesses the performance of the business segments based on a measure of revenue and operating profit / loss. The measure of operating profit / loss is based on the same standards as used for the financial statements. Finance revenue / expenses as well as the income tax expense is reviewed in consolidated basis without assigning it to specific business segments

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

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	922	372	13,072	-	14,366
Operating profit / (loss)	**(144)**	**151**	**6,264**	**(1,477)**	**4,794**
Finance revenue	-	-	-	-	4,587
Finance expenses					(9,852)
Profit / (loss) before income tax					**(472)**
Income tax expense					467
Profit / (loss) for the year					**(5)**

The segment results for the period ended 31 March 2008 are as follows:

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	2,387	285	11,857	-	14,529
Operating profit / (loss)	**(1,135)**	**72**	**10,709**	**(1,911)**	**7,735**
Finance revenue	-	-	-	-	1,467
Finance expenses					(26,873)
Profit / (loss) before income tax					**(17,671)**
Income tax expense					11,439
Profit / (loss) for the period					**(6,232)**

The segment assets and liabilities at 31 March 2009 are as follows:

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	270,293	2,235	1,016,288	78,550	1,367,366
Total Liabilities	268,579	0	510,485	172,287	951,352
Capital expenditure	1,403	-	-		1,404

The segment assets and liabilities at 31 December 2008 are as follows:

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	273,494	1,977	1,011,837	88,603	1,375,911
Total Liabilities	286,934	0	496,743	176,213	959,891
Capital expenditure	41,250	-	22,427	855	64,532

Segment assets consist primarily of investment property, property plant and equipment (land, buildings and assets under construction), inventories, trade and other receivables.

Unallocated assets mainly comprise intangible assets, cash & cash equivalents, receivables from other related parties, other receivables, advances and derivative financial instruments.

Segment liabilities consist primarily of borrowings (including finance leases), trade and other payables.

Unallocated liabilities mainly comprise current & deferred income tax liabilities, litigation provisions, employee benefits obligations, derivative financial instruments, dividend payable, amounts due to other related parties and other creditors.

Capital expenditure includes additions to Property plant and equipment, investment property and intangible assets.

5 Investment property

Unaudited figures. All amounts in euro thousands

	Consolidated	Company
At beginning of period (01.01.2008)	1,231,727	827,569
Additions in investment property / additions in construction costs	63,677	60,860
Net gain from fair value adjustments on investment property	(83,386)	(64,334)
At end of period (31.12.2008)	**1,212,018**	**824,096**
Additions in investment property / additions in construction costs	1,403	1,403
Disposal	(814)	-
At end of period (31.03.2009)	**1,212,607**	**825,499**

The fair market value of Investment property was re-measured and adjusted at 31 December 2008 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. Additionally, according to management's view, during the first quarter of 2009, no change has occurred in the market to justify significant differences in the fair value of the Group investment property. The above reasons have driven the Group not to proceed with an updated report of investment property valuation as at 31 March 2009.

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

Unaudited figures. All amounts in euro thousands

	Consolidated		**Company**	
	01/01/2009 - 31/03/2009	**01/01/2008 - 31/03/2008**	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**
Rental income from investment property	9,212	7,897	6,196	5,283
Operating expenses arising from investment property	816	693	634	432

Disposal of Investment property

The disposals of investment property refer to a residence owned by the subsidiary 'Babis Vovos International Construction S.A. and Co GP' at Kefalari Attica. The sale price was determined at € 707 thousand. The fair value of the property (€ 814 thousand) based on the valuation performed by the independent valuer as per December 31, 2008 burdened as cost of sales the Group's result for the period (Note 16).

Repurchase and new sale and leaseback agreement

During March 2009, the company has repurchased before maturity the Building A and 204 parking spaces at the fourth basement of the Building complex at 24 Kifissias Avenue in Maroussi from alpha Leasing. The repurchase price was defined at € 10.5 million (it includes the outstanding notional of the sale and leaseback agreement plus accrued interest at the repurchase date.

At the same date, the company had signed a new sale and lease back agreement with Alpha Leasing for the above mentioned ownerships. The sale and lease back agreement of € 26.4 million signed comes to its maturity on April 4, 2019 with duration for 10 years. The interest rate defined is Euribor 3month plus a spread of 2.50% (not changed in comparison with the previous contract).

The net inflow from the repurchase and the new sale and leaseback agreement was used for the repayment of loans to Alpha Bank.

Investment property under construction

<u>Sounio</u>

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

<u>Poros - Galatas</u>

The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-completed semi-detached residential units intended for tourist use. The completion of the aforementioned residential units has progressed significantly. Currently, the wall and exterior works have been completed and the development is currently at the level of completing internal works. The completion of the hotel complex including the improvement of the existing hotel unit into a class A' hotel is expected by the end of 2009. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 March 2009 are included in Investment property under construction.

Votanikos

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

During the first quarter of 2007, the demolition permit concerning the existing buildings was issued. The demolition has started during April 2007 and is already completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit concerning part of the underground parking area has been issued and the relative works are at the completion stage. Following the approval of the Environmental Impact Report dated August 29th, 2008, the building permit for the total development of the shopping mall including 80,000 sqm under the ground area as well as 70,000 sqm of above the ground area has been issued. At the beginning of December, while the project was at the stage of reinforced concrete works were being carried out (already reached at the second floor), as well as various works for the completion of the basement area, the Council of State decided upon the temporary suspension of the construction work at Votanikos. This temporary suspension of works followed an appeal submitted by a small number of citizens. During January 2009, the three member Committee of Suspensions of the Council of State decided in favor of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

In case the project is cancelled and the shopping mall is not developed according to the provisions of article 12 of the Law 3481/2006, the right of the company to claim compensation amounting to € 280 million is founded.

The development is planned for completion during 2010, during which, the shopping mall will be delivered as ‘cold shell’ to the tenants. Following the delivery, interior works of the retail shops will be carried out with the intention of being fully operative by the 2010 as well.

At 31 December 2008, the company recorded an impairment of the fair value of land plot in Votanikos with the intention of being conservative due to the given situation above described as well as given the unfavourable financial conditions of the market assessing also the possible delay of the project.

At 31 March 2009, the fair value of the land plot in Votanikos amounted to € 98,718 thousand. The construction cost of the project, at 31 March 2009, amounted to € 45,190 thousand and is included in the Investment properties. The company has not formed any provision for impairment of the construction cost with a respective charge in income statement since there are alternative ways of exploitation as far as the existing construction is concerned.

At 31 March 2009, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 865,072 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 464,930 thousand. (For 31.12.2008: buildings valued at € 865,072 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 453,244 thousand).

6 Trade and other receivables

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Trade receivables	6,783	5,214	4,258	2,597
Less: provision for impairment of trade receivables	(1,475)	(1,475)	(424)	(424)
Net trade receivables	5,308	3,739	3,834	2,172
Prepaid expenses	10,702	9,791	6,944	6,603
Receivables from subsidiaries (Note 18)	-	-	33,751	32,961
Receivables from other related parties (Note 18)	39,529	39,493	33,469	33,468
Advances	15,297	20,057	15,102	19,864
Other debtors	24,640	27,497	17,858	21,652
Less: provision for impairment of other receivables	(14,254)	(14,254)	(10,413)	(10,413)
	75,913	82,585	96,711	104,135
	81,221	86,324	100,545	106,307
Less non-current assets: advances	(572)	(578)	(379)	(386)
Current assets	80,649	85,746	100,165	105,921

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, operating in wide spectrum of business sectors.

The accounting value of receivables is approximately the same as their fair value.

During the periods ended 31 March 2009 and 2008, no impairment loss for trade and other receivables was recognised for the Group and the Company.

The Group and the Company have no trade and other receivables in foreign currency at 31 March 2009 and 31 December 2008.

Advances include an amount of € 5,000 thousand (31.12.2008: € 5,000 thousand) paid to Credit Suisse according to the provisions of the signed interest rate swap agreement. This amount will be returned to the company on April 2009 according to the provisions of the aforementioned swap agreement bearing interest calculated with a set interest rate of 4.34%. The accrued interest amounting to € 217 thousand has been provided to the account advances. Additionally, advances include an amount of € 9,250 thousand (31.12.2008: € 14,250) paid to Credit Suisse as cash collateral based on the signed interest rate swap due to the increase in fair value of the transaction amounting to over € 25,000 thousand. This amount is paid as cash collateral and is expected to be gradually returned, bearing interest, with the normalisation of interest variations and the respective positive variation of the fair value of the interest rate swap agreement. At 31.03.2009, the accrued interest on the cash collateral amounted to € 126 thousand. The average interest rate for the calculation was 2.13% (31.12.2008: 2.98%).

Long term receivables, included in non-current assets, relate to guarantees paid to third parties in the normal course of the business and do not have specific maturity date.

The Group and the company hold guarantees - collaterals as security for trade receivables (more specifically, receivables from lessees). These guarantees are included in other non-current liabilities (see Trade and other payables) and are usually equal to two monthly leases. At 31 March 2009, the lease guarantees are amounting to € 3,957 thousand (31 December 2008: € 3,938 thousand) for the Group and € 2,785 thousand (31 December 2008: 2,767 thousand) for the company (Note 10).

At 31 March 2009, the maximum exposure of the Group and the company to credit risk is the fair value of trade and other receivables mentioned above, which approximates their accounting value, less the value of lease guarantees mentioned above.

Other receivables do not include impaired assets unless differently stated.

7 Cash and cash equivalents

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Cash on hand	43	43	17	24
Site deposits	5,494	12,196	4,738	10,589
Committed deposit accounts	2,382	618	2,210	562
Cash and cash equivalents	7,919	12,858	6,965	11,174

8 Borrowings

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Non - current				
Bank Borrowings	54,457	61,836	36,257	42,836
Finance lease liabilities	475,013	468,479	327,026	316,655
	529,471	530,315	363,283	359,490
Current				
Bank Borrowings	194,868	201,180	189,714	195,658
Finance lease liabilities	34,572	29,354	22,949	20,478
	229,441	230,534	212,662	216,136
Total borrowings	**758,911**	**760,849**	**575,945**	**575,626**

All the Group's borrowings are at floating rates of interest. The fair value of both the long-term and short-term borrowings at 31 March 2009 approximated their carrying values. All the Group's borrowings are in euro.

For securing borrowings, guarantees have been provided over:

- the investment property amounting to € 298,463 thousand (31 December 2008: € 278,063 thousand) for the Group and € 225,042 thousand (31 December 2008: € 204,642 thousand) for the company.
- the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 12,745 thousand (31 December 2008: 12,745 thousand) for the Group and the company.
- the inventories amounting to € 32,000 thousand (31 December 2008: 21,550 thousand) for the Group and the company have been provided.

9 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	87,934	88,402	46,963	47,761
	87,934	88,402	46,963	47,761

The total movement in deferred income tax is presented below:

Unaudited figures. All amounts in euro thousands

	Consolidated	Company
Balance at 1 January 2008	**147,558**	**91,680**
Debit / (credit) in the income statement	(59,156)	(43,919)
Balance at 31 December 2008	**88,402**	**47,761**
Debit / (credit) in the income statement	(468)	(798)
Balance at 31 March 2009	**87,934**	**46,963**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Unaudited figures. All amounts in euro thousands

Consolidated

Deferred Tax Liabilities	Investment property to fair value	Derivatives	Total
Balance 01.01.2008	**205,218**	**-**	**205,218**
Debit / (credit) in the income statement	(48,913)	559	(48,354)
Balance 31.12.2008	**156,305**	**559**	**156,864**
Debit / (credit) in the income statement	948	(162)	786
Balance 31.03.2009	**157,253**	**398**	**157,650**

Consolidated

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2008	**(53,039)**	**(350)**	**(558)**	**(1,413)**	**(2,300)**	**(57,660)**
Debit / (credit) in the income statement	(3,644)	343	64	(6,809)	(758)	(10,802)
Balance 31.12.2008	**(56,683)**	**(6)**	**(494)**	**(8,222)**	**(3,058)**	**(68,462)**
Debit / (credit) in the income statement	(1,827)	2	7	484	80	(1,254)
Balance 31.03.2009	**(58,510)**	**(5)**	**(487)**	**(7,738)**	**(2,978)**	**(69,716)**

Company

Deferred Tax Liabilities	Investment property to fair value	Derivatives	Total
Balance 01.01.2008	**143,546**	**-**	**143,546**
Debit / (credit) in the income statement	(41,114)	559	(40,555)
Balance 31.12.2008	**102,432**	**559**	**102,991**
Debit / (credit) in the income statement	9	(162)	(153)
Balance 31.03.2009	**102,441**	**398**	**102,838**

Company

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2008	**(49,174)**	**11**	**(528)**	**(1,413)**	**(762)**	**(51,866)**
Debit / (credit) in the income statement	4,684	(17)	59	(6,809)	(1,281)	(3,364)
Balance 31.12.2008	**(44,490)**	**(6)**	**(469)**	**(8,222)**	**(2,043)**	**(55,230)**
Debit / (credit) in the income statement	(1,223)	2	9	484	83	(645)
Balance 31.03.2009	**(45,713)**	**(5)**	**(460)**	**(7,738)**	**(1,960)**	**(55,875)**

There are no other significant unrecognised deferred tax assets and liabilities.

10 Trade and other payables

Unaudited figures. All amounts in euro thousands

	Consolidated		**Company**	
	31 March 2009	**31 December 2008**	**31 March 2009**	**31 December 2008**
Trade Payables	12,192	14,691	11,607	13,772
Amounts due to subsidiaries (Note 18)	-	-	48,624	48,955
Amounts due to other related parties (Note 18)	31	86	31	86
Social security and other taxes	8,514	8,748	2,049	2,268
Customer advances	429	1,016	246	777
Accrued expenses	5,759	2,635	38,031	36,288
Unearned and deferred income	68	83	68	83
Lease Guarantees	3,957	3,938	2,785	2,767
Other creditors	460	191	446	181
Trade and other Payables	31,410	31,388	103,887	105,176
Less long-term liabilities: lease guarantees	(3,957)	(3,938)	(2,785)	(2,767)
Short-term liabilities	27,453	27,450	101,101	102,409

Group and company trade and other payables are interest free.

11 Derivatives

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
Interest rate swaps held for trading	**31 March 2009**	**31 December 2008**	**31 March 2009**	**31 December 2008**
Non-current assets	1,153	1,791	1,153	1,791
Current assets	576	589	576	589
Non-current liabilities	41,892	49,167	41,892	49,167
Current liabilities	12,402	10,328	12,402	10,328

At 31 March 2009, the Group, aiming at low financial cost in the long term, has signed the following interest rate swap agreements.

- Interest rate swap agreement with Lehman Brothers International Europe. According to its provisions, the Company received a prepayment of € 7,000 thousand which actually is the interest calculated on a notional principal of € 70,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 11th 2009. These instalments are calculated as interest on the notional principal with a floating interest rate which varies according to the variations of the index Macro Quantitative Currency Strategies (MarQCuS Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. At 30 June 2008, the fair value of this interest rate swap was € 10,134 thousand (31 December 2007: -). Due to the liquidation process of the above bank, there is no formal update of the aforementioned agreement's fair value as of 31 December 2008 by Lehman Brothers International Europe. The company requested a different bank to calculate the fair value of the aforementioned interest rate swap agreement as at 31 December 2008. According to this valuation, the fair value of the swap agreement amounted to € 6,167 thousand as at year end. No change in the fair value of this swap agreement was recorded in the company books fro the period ended 31 March 2009. No finance revenue or expense was recognised in the income statement. Management expects this agreement to have been cleared during the coming months.

- Interest rate swap agreement with Credit Suisse. The agreement refers to interest rate swap for BVIC Group sale and lease back agreements with leasing companies. At 31.03.2009, the Group receives Euribor 1month plus an average spread of 2.27% for approximately 1/4 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.03.2009: 2.26%). The fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. Starting from July 30th, 2009 up to December 30th, 2019 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. The above described negative effect will refer to the calendar days that the conditions do not stand for the period mentioned above. At 31 March 2009, the fair value of this interest rate swap was € 32,526 thousand (31 December 2008: € 34,045 thousand). Finance revenue of € 1,520 thousand was recognised in the income statement. The variation of the fair value stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months which affect the expectations in the short term.

- Interest rate swap agreements with Deutsche Bank. The provisions of the interest rate swap agreements in effect are as follows:

a. Interest rate swap agreement for notional principal amounting to € 38,000 thousand. The Company has received a prepayment of € 3,800 thousand which actually is the interest calculated on the notional principal. The agreement comes to its maturity on February 2012 and the Company has the obligation to pay another 3 yearly instalments and 1 monthly instalment which are calculated as interest on the notional principal with an interest rate which varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date.

b. Interest rate swap agreement for notional principal amounting to € 20,000 thousand. The Company has received a prepayment of € 2,000 thousand which actually is the interest calculated on the notional principal. The agreement comes to its maturity on February 2012 and the Company has the obligation to pay another 3 yearly instalments and 1 monthly instalment which are calculated as interest on the notional principal with an interest rate which varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date.

c. Interest rate swap agreement for notional principal amounting to € 21,000 thousand. The agreement comes to its maturity on February 2012 and the Company has the obligation to pay another 3 yearly instalments which are calculated as interest on the notional principal with an interest rate which varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date.

d. Interest rate swap agreement for notional principal amounting to € 79,000 thousand. The agreement comes to its maturity on February 2012 and the Company has the obligation to pay another 3 yearly instalments which are calculated as interest on the notional principal with an interest rate which varies according to the average variation of the index EUR DB Balanced Harvest Index (DBHVBEUI Index) from time 0 which is the signature date

For the interest rate swap agreements c and d, the Company had received a prepayment of € 10,000 thousand which actually is the interest calculated on notional principal amounting to € 100,000 thousand based on an older agreement. This older agreement in still in effect and indicated under Derivative liabilities in the Balance sheet, however the net effect is zero for the Group, since a new agreement had been signed to overlay it (exactly reversed provisions for the counterparties – BVIC and Deutsche Bank) and which is indicated under Derivatives assets in the Balance sheet.

All the above indices' level is announced daily at Bloomberg website.

According to the provisions of the above agreements with Deutsche Bank (a,b,c and d) there is a maximum coupon of 3.90% and the minimum coupon could be zero. Additionally, there is a strong possibility that the company will eventually pay back an amount lower than the one received as interest calculated on a notional principal of the agreements since the minimum coupon is defined at zero.

At 31 March 2009, the net fair value of all the interest rate swap agreements with Deutsche Bank amounted to € 13,263 thousand (31 December 2008: € 16,903 thousand). Finance expense of € 34 thousand as well as finance revenue of € 119 thousand was recognised in the income statement.

12 Provisions

Unaudited figures. All amounts in euro thousands

	Consolidated	Company
At beginning of period (01.01.2008)	**867**	**417**
New provision for litigation and claims	190	100
At end of period (31.12.2008)	**1,057**	**517**
At end of period (31.03.2009)	**1,057**	**517**

Provisions for other liabilities and expenses include provisions for possible liabilities relating to litigation and claims which were pending against the Group companies (see Note 17).

During the period ended 31 March 2009, no provision for litigation and claim against the companies of the Group was formed.

13 Revenue

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008
Rental income	13,072	11,857	8,998	8,203
Sale of property	922	2,387	215	2,387
Contruction work	372	285	372	285
Other	-	-	1	0
	14,366	14,529	9,586	10,875

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

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

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

14 Operating profit

During the period ended 31 March 2009, no amounts referring to provisions for doubtful debt, inventory impairment or litigation and claims have been recorded in the operating profit. The same applies to the same period of the previous fiscal year.

15 Earnings per share

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008	01/01/2009 - 31/03/2009	01/01/2008 - 31/03/2008
Net profit attributable to shareholders	(23)	(6,252)	(186)	1,961
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(0.00)	(0.18)	(0.01)	0.06

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

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

16 Cash generated from operations

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2009 - 31/03/2009	**01/01/2008 - 31/03/2008**	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**
Profit before income tax	(472)	(17,671)	(984)	(3,301)
Adjustments for:				
– depreciation and amortisation	109	135	68	93
– (profit) / loss on sale of investment property	107	-	-	-
– net gain from fair value adjustment on investment property	-	(5,401)	-	(2,865)
– Provision for inventory impairment	(380)	(156)	(385)	(156)
– Increase in retirement provision	(42)	(146)	(47)	(148)
– interest expense	9,818	11,836	8,066	8,835
– interest revenue	(9)	(225)	(6)	(220)
– (income) / loss from derivatives	(4,543)	13,795	(4,543)	13,795
– dividend (income) / loss	-	-	(400)	(16,485)
Changes in working capital:				
– trade and other receivables	6,507	(6,287)	6,539	(11,032)
– inventories	(1,288)	(3,533)	(1,284)	(3,165)
– payables	(780)	(35,945)	(870)	(38,072)
Cash generated from operations	9,027	(43,599)	6,155	(52,722)

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

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2009 - 31/03/2009	**01/01/2008 - 31/03/2008**	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**
Cost of investment property sold	814	-	-	-
Profit / (loss) on sale of investment property	(107)	-	-	-
Proceeds from sale of investment property	707	-	-	-

17 Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the company have given guarantees in the ordinary course of business amounting to € 7,979 thousand (2008: € 6,679 thousand) and € 4,231 thousand (2008: € 2,931 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 March 2009, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 4,266 thousand (2008: € 4,266 thousand) for which a total provision of € 1,057 thousand (€1,057 thousand) for the Group and € 517 thousand (2008: € 517 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 31 March 2009, there were pending court decisions for the cancellation of building permits (Delta Falirou complex, 49 Kifissias Avenue) as far as two buildings are concerned. However, no liability is expected to incur. Additionally, during 2008, a new appeal was submitted against the building permit for the under construction shopping mall in Votanikos (see Note 5). At 31 March 2009, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 16,232 thousand (2008: € 16,232 thousand).

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

On June 2008, the tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was completed. The tax audit resulted in tax audit differences amounting to € 11,918 thousand of which, until today, € 10,862 thousand have not been finalised. For tax audit differences amounting to € 10,862 thousand, the company has appealed against to administrative courts.

On March 2009, a definite tax settlement of the fiscal year 2000 for the subsidiary company 'Doma S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 0.57 thousand.

18 Related-party transactions

At 31 March 2009, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2009 - 31/03/2009	**01/01/2008 - 31/03/2008**	**01/01/2009 - 31/03/2009**	**01/01/2008 - 31/03/2008**
Sales of goods and services				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	1	-
	-	-	1	0
Sales of services				
Innovative Buildings S.A	1	1	-	-
Promise Cafe Ltd.	21	20	-	-
The Greek Coffee Company S.A.	45	57	-	-
	66	78	-	-
Purchases of goods and services				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	-	11
	-	-	-	11
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	31	31
Services of key management personnel	30	232	30	232
	30	232	61	262
Key management compensation				
Salaries and other short term employee benefits	347	334	347	334

	Consolidated		Company	
Year-end balances arising from sales/purchases of goods/services	**31 March 2009**	**31 December 2008**	**31 March 2009**	**31 December 2008**
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	32,983	32,213
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	767	749
Innovative Buildings S.A	4	3	-	-
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	10,874	4,886	4,886
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	590	571	554	553
Key management personnel (1)	27,501	27,486	27,486	27,486
	39,529	39,493	67,220	66,429
Payables to related parties				
Doma S.A	-	-	8,884	8,891
International Palace Hotel S.A	-	-	3,836	3,841
Alteco S.A	-	-	10,056	10,066
Elfinko S.A.	-	-	25,848	26,157
Key management personnel	31	86	31	86
	31	86	48,655	49,040

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

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

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

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

19 Number of employees

The number of employees for the Group and the Company as at 31 March 2009 is as follows:

	Consolidated		Company	
	31 March 2009	**31 March 2008**	**31 March 2009**	**31 March 2008**
Number of employees	478	523	470	513