Eurobank Properties REIC

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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

All amounts expressed in €'000s unless otherwise stated

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All amounts expressed in €'000s unless otherwise stated

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 financial statements of Eurobank Properties REIC and the consolidated financial statements of Eurobank Properties REIC. and its subsidiaries (the Group) for the year ended 31 December 2008 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 2009

Nikolaos A. Bertsos	Georgios 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

DIRECTORS' REPORT OF
«EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY»
FOR THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2008

Dear Shareholders,

According to Law N. 3556/2007, Law K.N.2190/1920 and the decisions of the Hellenic Capital Market Commission 7/448/11.10.2007, we present the Annual Board of Directors' report of Eurobank REIC Consolidated and Company Financial Statements for the year ended December 31, 2008. 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

This year was a very important year for the Group as it signified a stepping point in its goal to become one of the most important Real Estate Investment Fund in Greece and New Europe. Our portfolio consists of a diversified high profile commercial property in Greece and New Europe which are leased to high profile clients.

As at December 31, 2008 our portfolio consists of 56 properties. The majority of the property is located in Greece and more specifically 36 are in Athens. In addition 14 properties are located in other Greek major cities like Thessaloniki, Patra, Volos, and Iraklio Crete. The Group also has 1 commercial property in Ukraine, 3 in Romania and 2 in Serbia.

The Groups portfolio consists of 284.841 square meters with a total fair value amounting to €586.217 as valued from the Body of Sworn-In Valuers of Greece (SOE).

Revenue: The Group's revenue for the period ending December 31, 2008 amounted to €38.650 compared to €27.893 (which includes gain from sale of investment property amounting to €1,070) of the previous period, an increase of €10.757 or 39%. This significant increase is mainly due to rental income amounting to €38.650 compared to €26.823 (excluding the gain from sale of investment property amounting to €1,070 in year 2007). The increase of €11.827 or 44% is mainly due to income from new rentals amounting to €7.248 and like-for-like rental growth amounting to €4.579 mostly due to the effect of indexation to inflation and the effect of renegotiating rents. In respect of the new rentals, 73% are from Greece and 27% outside Greece.

Net gain from fair value adjustment on investment property: The Group's net gain from fair value adjustments for 2008 was € 2.160 compared to € 19.600 for 2007 (decrease of €17.408 or 89%). The decrease was mainly driven by the prevailing market conditions in real estate especially during the last quarter of 2008.

All amounts expressed in €'000s unless otherwise stated

Operating Profit: The Group's operating profit for the period ending December 31, 2008 amounted to €34.286 compared to €40.956 of the previous period. The Group's operation profit excluding fair value adjustments, and negative goodwill of €2.167 presented in other income of the Consolidated and Company Income Statement amounted to €29.959 compared to €20.318 (excluding the gain on sale of investment property) of the previous period. The increase of €9.641 or 47% is a result of the increase in rental income of €11.827 (as explained above), which was offset by the increase in Other direct property relating expenses amounting to €853 or 45% as result of the new investments as described in the paragraph below Significant Events. In addition Other Expenses have increased by €1.045 as analyzed in note 18 of the Consolidated and Company Financial Statements

Interest Income: The Group's interest income for the period ending December 31, 2008 amounted to €11.126 compared to €2.286 of the previous period, an increase of €8.840 or 387%. The increase is mainly driven by a) increase in cash from the December's 2007 share capital increase and b) increase in deposit interest spreads especially in the 2nd half of 2008.

Income Tax Expense: The Group's income tax expense for the period ending December 31, 2008 amounted to €3.152 compared to €2.335 of the previous period, an increase of €817 or 35%. 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 2008 amounted to €38.424 compared to €37.325 of the previous year, an increase of €1.099 or 3%.

Basic Ratios

	31.12.2008	**31.12.2007**
Liquidity Ratio		
Current Ratio	12,81	12,05
Leverage Ratio		
Debt to Total Assets	11%	9.5%
Market		
NAV	€11,85	€11,50

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 that profit for the period is better measure of performance for real estate investment funds.

All amounts expressed in €'000s unless otherwise stated

Fund from Operations

	31.12.08	31.12.07	Change	%
Profit after Tax	38.424	37.325	1,099	2.9%
Add: Depreciation	39	45	-6	-13.3%
Less: Other Income	-2,809	-703	2.106	300%
Less: Fair Value Adjustments	-2.160	-19.568	-17.408	-89%
FFO	33.494	17.099	16.395	96%

Significant Events in the year

During June 2008, the Company's Board of Directors decided to incorporate in-house a significant number of activities relating to the analysis and realisation of its investments as well as managing its real estate portfolio aiming to further enforce the Company's independence. Following the abovementioned decision, the General Meeting of the Shareholders at its meeting on 30 June 2008 decided the termination of the agreement for managerial and consulting services with EFG Eurobank Ergasias S.A., provided for a fee of 8.1% on rental income and the initiation of an agreement with Eurobank Property Services (a Eurobank EFG Group Company) for technical support services of consulting and managerial nature, and agency services for the completion of acquisition or sale agreements of real estate property. The agreed fee for technical support services is 2.5% on rental received. The result is expected to be a reduction in operating costs of €1 million annually.

On 8 January 2008, the Company entered into an agreement for the purchase of 100% of the shares of Greek company "Kalambokis Tours & Cargo S.A.", owner of a property located Schimatari municipality, Prefecture of Viotia, which is subject to two leases expiring at 2011. The acquisition price for the shares has been agreed at €3.917 on a debt free and liability free basis. A first rate mortgage of €1,859 exists in favour of Cooperative Bank of Chania over a property of Kalampokis Tours and Cargo S.A.

On 18 January 2008, the Company acquired two retail properties located in Kifissias Avenue by Pasal Development S.A., for a total consideration of €16,014 (excluding notaries and lawyer's fees of €257) Both properties are subject to operating leases with SATO S.A. and the leases expire at 2016 and 2019.

On 15 March 2008, the Company acquired a retail property located in 66-68, Chevonoarmiyska str., Kiev, Ukraine, for a total consideration of €5,753. The property will be leased to Universal Bank, member of the Eurobank EFG Group.

On 15 April 2008, the Company acquired a retail property located in Trikala municipality, 65 Karditsas Street. The acquired property consists of a retail building leased to the well-known Greek hypermarkets retailer «AV Vassilopoulos S.A» with the lease contract expiring in 2028. The acquisition price paid by the company was €3,150.

All amounts expressed in €'000s unless otherwise stated

On May 2008 the Company has 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.. The company is the owner of a land plot of 5,646 sqm, located in Tavros municipality (Southern Athens). According to the promissory contract, the advance payment for the acquisition of "Tavros Protypi Anaptixi S.A." shares has been agreed at € 10,000. The total acquisition price (including the advance) has been agreed at € 50,350 on a liability and debt-free basis. The amount to be paid at the time of the signing of the final share purchase agreement will be adjusted taking into consideration any debt / liabilities existing then. The investment will be financed through the recent capital increase that took place during December 2007. The signing of the final share purchase agreement is expected to be realized in the first quarter of 2010.

On 25 June 2008, Reco Real Property A.D. (a subsidiary of the Company) acquired a retail property located in Nis, Serbia for a total consideration of €2,066. The property was leased to a well known fashion retailer for a period of 10 years with an optional 5 year extension. A first rate mortgage of €4,000 thousand has been registered in favour of Eurobank EFG Savings Bank a.d. over a property of Reco

On June 4 2008, the Company entered an agreement for the purchase of 99.99% of the shares of Romanian joint stock company "Retail Development S.A.", which is the owner of retail building. The property is located at 113, Tudor Vladimirescu in Iasi, Romania, which is subject to a lease with the well-known company S.C. Praktiker SRL expiring in 2022. The acquisition price has been agreed at €4.561 on a liability and debt free basis.

On 31 July 2008, has proceeded with the acquisition of 99,99% of the shares of the Romanian company Seferco Development S.A. in execution of a preliminary agreement that was signed by the Company last summer. Seferco is the owner of a newly-built office building in Pipera area of Bucharest and it is located on the corner of Dimitrie Pompeiu Bd. and Ing. G. Constantinescu Street, Bucharest, Romania The acquisition price has been agreed at €21,486 on a liability and debt free basis.

Outlook

It is with no doubt that the current market conditions have not only affected the real estate industry but the overall business environment. In these current market conditions one has to be patient and invest only when the opportunity arises.

Our Company is in a position to realize its investment strategy which is to create long term value for its shareholders.

The high quality investment portfolio which provides consistent revenue, low levels of debt, and a favorable cash position, puts us in the position to be a market leader in Greece and New Europe.

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 recent years surpluses have been shown in the group's semi-annual and annual property valuations. A fall or levelling off in commercial property would have a marked effect on the profitability and net asset value of the group. However, due to the long term nature of leases and new tenants the effect on cash flows from property investment activities should be more stable.

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.

All amounts expressed in €'000s unless otherwise stated

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. 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.

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%.

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 Eurobank Property Group 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.

DIVIDEND POLICY

Under Law 2778/1999, as a REIC the Company is required to pay a minimum dividend equal to at least 35% of the annual distributable net profits. Moreover, on March 10, 2006, the Board of Directors, unanimously decided to propose to the General Meeting of the Shareholders the distribution of dividend of not less that 85% to 90% of the company's recurring distributable net profits, subject to the company's financial position, its business strategy and applicable restrictions on the payments of dividends under Greek Law.

The proposed dividend to be distributed for the year 2008 amounts to €31.730 thousand compared to €17.568 thousand for 2007. It should be noted that the total amount of dividend of €31.730 thousand includes the interim dividend of €9.150 thousand paid out in December 2008.

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.

On 31.12.2008, EFG Eurobank Ergasias S.A. holds 55.88% of the share capital of the Company, Lamda Development S.A. holds 11.23% 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

All amounts expressed in €'000s unless otherwise stated

The Board of Directors as well as its members do not have the power to issue new shares, nor to purchase 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.

Nea Ionia, 28 January 2009

The Board of Directors

Nikolaos A. Bertsos	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

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Eurobank Properties REIC"

Report on the Financial Statements

We have audited the accompanying financial statements of "Eurobank Properties REIC" (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 2008 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.

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 2008, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

All amounts expressed in €'000s unless otherwise stated

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report includes the information required by article 43a paragraph 3, article 107 paragraph 3, and article 16 paragraph 9 of Law 2190/1920 and its content is consistent with the accompanying financial statements.

Athens, January 30, 2009.

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Balance sheet

	Notes	Group		Company	
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS					
Non-current assets					
Investment property	7	578,289	488,299	462,840	438,014
Property, plant and equipment	8	7,767	3,487	3,516	3,487
Goodwill and Intangible Assets		335	-	-	-
Investments in subsidiaries	9	-	-	61,908	34,545
Deferred tax asset		709	178	-	-
Other non-current assets	10	10,000	21,808	10,000	21,758
		597,100	**513,772**	**538,264**	**497,804**
Current assets					
Trade and other receivables	10	7,900	4,697	7,886	6,356
Cash and cash equivalents	11	204,142	256,112	199,962	255,163
		212,042	**260,809**	**207,848**	**261,519**
Total assets		**809,142**	**774,581**	**746,112**	**759,323**
Shareholders' equity and liabilities					
Capital and reserves					
Share capital	12	129,930	129,930	129,930	129,930
Share premium	12	466,749	466,749	466,749	466,749
Other reserves		7,058	5,124	6,549	5,029
Retained earnings		116,670	99,155	108,336	98,361
Total shareholders' equity		**720,407**	**700,958**	**711,564**	**700,069**
Deferred income		203	232	203	232
Non-current liabilities					
Borrowings, including finance leases	13	71,980	51,756	22,598	37,638
		71,980	**51,756**	**22,598**	**37,638**
Current liabilities					
Trade and other payables	14	10,072	18,812	8,263	18,577
Dividends payable		26	22	26	22
Current income tax liabilities		2,026	1,536	1,943	1,520
Borrowings, including finance leases		4,428	1,265	1,514	1,265
		16,552	**21,635**	**11,746**	**21,384**
Total liabilities		**88,735**	**73,623**	**34,547**	**59,254**
Total shareholders' equity and liabilities		**809,142**	**774,581**	**746,112**	**759,323**

Nikolaos A. Bertsos	Georgios Chryssikos	Stylianos Probonas	Ilias Papailiopoulos
Chairman of the BoD	General Manager & Executive Member of the BoD	Chief Financial Officer	Head of the Accounting Department

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Income Statement

	Note	Group Year ended 31/12/2008	Group Year ended 31/12/2007	Company Year ended 31/12/2008	Company Year ended 31/12/2007
Revenue					
Rental Income	15	38.650	26.823	32.634	26.000
Gain from sale of investment property		0	1.070	-	1.070
		38.650	**27.893**	**32.634**	**27.070**
Net gain from fair value adjustment on investment property	7	2.160	19.568	(795)	19.289
Repair and maintenance costs		(269)	(411)	(269)	(408)
Management fee		(2.054)	(2.435)	(1.845)	(2.435)
Other direct property relating expenses	16	(2.733)	(1.880)	(1.790)	(1.701)
Employee benefit expense	17	(1.585)	(829)	(1.585)	(829)
Depreciation of property, plant and equipment	8	(39)	(45)	(38)	(45)
Other income	7	2.809	703	46	546
Other expenses	18	(2.653)	(1.608)	(1.592)	(1.525)
Operating profit (EBIT)		**34.286**	**40.956**	**24.765**	**39.962**
Interest income		11.126	2.286	11.091	2.279
Finance costs		(3.836)	(3.582)	(1.566)	(3.212)
Profit before income tax		**41.576**	**39.660**	**34.290**	**39.029**
Income tax expense	19	(3.152)	(2.335)	(3.886)	(2.498)
Profit for the period		**38.424**	**37.325**	**30.404**	**36.531**
Earnings per share (expressed in € per share)					
- Basic and Diluted	15	**0.63**	**1.43**	**0.63**	**1.48**

The annual financial statements were approved by the Board of Directors on 28 January, 2009 and are signed on its behalf by:

Nikolaos A. Bertsos	Georgios Chryssikos	Stylianos Probonas	Ilias Papailiopoulos
Chairman of the BoD	General Manager & Executive Member of the BoD	Chief Financial Officer	Head of the Accounting Department

All amounts expressed in €'000s unless otherwise stated

Consolidated Statement of changes in shareholders' equity

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2007		**51,972**	**221,962**	**4,167**	**79,040**	**357,141**
Currency translation reserves		-	-	95	-	95
Profit for the period		-	-	-	37,325	37,325
Proceeds from share capital increase	12	77,958	251,442	-	-	329,400
Costs associated with share capital increase	12	-	(6,655)	-	-	(6,655)
Transfer to reserves		-	-	862	(862)	-
Dividends						
Dividends relating to 2006 approved by the shareholders		-	-	-	(8,540)	(8,540)
Interim dividend	20	-	-	-	(7,808)	(7,808)
Balance at 31 December 2007		**129,930**	**466,749**	**5,124**	**99,155**	**700,958**
Balance at 1/1/2008		**129,930**	**466,749**	**5,124**	**99,155**	**700,958**
Profit for the period			-		38,425	38,425
Currency translation reserves		-		415	(479)	(64)
Tranfer to Reserves		-	-	1,520	(1,520)	-
Dividends relating to 2007 approved by the shareholders		-	-	-	(9,760)	(9,760)
Interim dividends relating to 2008	20	-	-	-	(9,150)	(9,150)
Balance at 31/12/2008		**129,930**	**466,749**	**7,059**	**116,670**	**720,408**

Nikolaos A. Bertsos	Georgios Chryssikos	Stylianos Probonas	Ilias Papailiopoulos
Chairman of the BoD	General Manager & Executive Member of the BoD	Chief Financial Officer	Head of the Accounting Department

All amounts expressed in €'000s unless otherwise stated

Company Statement of changes in shareholders' equity

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2007		**51,972**	**221,962**	**4,167**	**79,040**	**357,141**
Currency translation reserves		-	-	-	-	-
Profit for the period		-	-	-	36,531	36,531
Proceeds from share capital increase	12	77,958	251,442	-	-	329,400
Costs associated with share capital increase	12	-	(6,655)	-	-	(6,655)
Transfer to reserves		-	-	862	(862)	-
Dividends						
Dividends relating to 2006 approved by the shareholders		-	-	-	(8,540)	(8,540)
Interim dividend	20	-	-	-	(7,808)	(7,808)
Balance at 31 December 2007		**129,930**	**466,749**	**5,029**	**98,361**	**700,069**
Balance at 1/1/2008		**129,930**	**466,749**	**5.029**	**98.361**	**700.069**
Profit for the period			-		30.404	30.404
Tranfer to Reserves		-	-	1,521	(1,521)	-
Dividends relating to 2007 approved by the shareholders		-	-	-	(9,760)	(9,760)
Interim dividends relating to 2008	20	-	-	-	(9,150)	(9,150)
Balance at 31/12/2008		**129,930**	**466,749**	**6.549**	**108.335**	**711.564**

Nikolaos A. Bertsos	Georgios Chryssikos	Stylianos Probonas	Ilias Papailiopoulos
Chairman of the BoD	General Manager & Executive Member of the BoD	Chief Financial Officer	Head of the Accounting Department

All amounts expressed in €'000s unless otherwise stated

Consolidated and Company Cash flow statement

	Notes	Group		Company	
Cash flows from operating activities		**1/1-31/12/2008**	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Cash generated from operations	22	25.169	23.402	23.584	22.904
Income taxes paid		(3.434)	(1.592)	(3.434)	(1.592)
Interest paid		(3.941)	(3.032)	(1.556)	(2.662)
Net cash from operating activities		**17.794**	**18.778**	**18.594**	**18.650**
Cash flows from investing activities					
Capital expenditure on investment properties		(687)	(1.334)	(346)	(1.334)
Purchases of investment properties		(40.905)	(83.009)	(36.725)	(56.749)
Purchases of investment properties under development		-	(37.518)	-	(21.492)
Refund from final price calculation of Eliade Tower	7	-	-	110	-
Acquisition of local subsidiaries	7	-	-	(3,917)	-
Advances for the acquisition of investment properties and foreign subsidiaries		(10.000)	(21.699)	(10.000)	(21.669)
Acquisition of tangibles and intangibles			(80)	-	(20)
Acquisition of Foreign Subsidiaries		-	-	-	(26.915)
Loans due from subsidiaries				(910)	(2.238)
Interest received		11.126	2.131	11.091	2.124
Net cash used in investing activities		**(40.466)**	**(141.509)**	**(40.697)**	**(128.293)**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		(748)	323.593	(748)	323.593
Proceeds from borrowings		3.800	30.117	-	16.000
Repayments of borrowings		(13.444)	(31.362)	(13.444)	(31.362)
Dividends paid	20	(18.906)	(16.326)	(18.906)	(16.326)
Net cash from / (used in) financing activities		**(29.298)**	**306.022**	**(33.098)**	**291.905**
Net (decrease) / increase in cash and cash equivalents for the period		**(51.970)**	**183.291**	**(55.201)**	**182.262**
Cash and cash equivalents at the beginning of the period		**256.112**	**72.901**	**255.163**	**72.901**
Exchange losses on cash and cash equivalents			**(80)**	**-**	**-**
Cash and cash equivalents at the end of the period	11	**204.142**	**256.112**	**199.962**	**255.163**

Nikolaos A. Bertsos	Georgios Chryssikos	Stylianos Probonas	Ilias Papailiopoulos
Chairman of the BoD	General Manager & Executive Member of the BoD	Chief Financial Officer	Head of the Accounting Department

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

1 General information

Eurobank Properties Real Estate Investment Company (previously known as EFG Eurobank Properties S.A.) (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 Nea Ionia, Athens, Greece. The address of its registered office is 6, Siniosoglou Street, Nea Ionia, Athens, Greece.

During June 2008, the Company's Board of Directors decided to incorporate in-house a significant number of activities relating to the analysis and realisation of its investments as well as managing its real estate portfolio aiming to further enforce the Company's independence. Following the abovementioned decision, the General Meeting of the Shareholders at its meeting on 30 June 2008 decided the termination of the agreement for managerial and consulting services with EFG Eurobank Ergasias S.A., provided for a fee of 8.1% on rental income and the initiation of an agreement with Eurobank Property Services (a Eurobank EFG Group Company) for technical support services of consulting and managerial nature, and agency services for the completion of acquisition or sale agreements of real estate property. The agreed fee for technical support services is 2.5% on rental received. The result is expected to be a reduction in operating costs of €1 million annually.

These Consolidated and Company Financial Statements have been approved for issue by the Board of Directors on January 29, 2008.

2 Basis of Preparation

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.

3 Accounting Policies

These consolidated 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. The consolidated 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale

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All amounts expressed in €'000s unless otherwise stated

category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group's financial statements.

Interpretations effective for year ended 31 December 2008

IFRIC 11 – IFRS 2: Group and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007)

This interpretation clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 – Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended 31 December 2008

IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009)

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 will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

IAS 23 (Amendment) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009)

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 Group will apply IAS 23 from 1 January 2009.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

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

IFRS 1 (Amendment) "First time adoption of IFRS" and IAS 27 (Amendment) "Consolidated and separate financial statements" (effective for annual periods beginning on or after 1 January 2009)

The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. As the parent company and all its subsidiaries have already transitioned to IFRS , the amendment will not have any impact on the Group's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009)

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. The Group does not expect that these amendments will have an impact on its financial statements.

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

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

IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009)

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. The Group will apply IFRS 8 from 1 January 2009.

Interpretations effective after year ended 31 December 2008

IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008)

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.

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IFRIC 15 - Agreements for the construction of real estate (effective for annual periods beginning on or after 1 January 2009)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (effective for annual periods beginning on or after 1 October 2008)

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.

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 May 2008 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2009.

IAS 1 (Amendment) "Presentation of financial statements"

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on the Group's financial statements.

IAS 16 (Amendment) "Property, plant and equipment" (and consequential amendment to IAS 7 "Statement of cash flows")

This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Group's operations because none of the companies in the Group have ordinary activities that comprise renting and subsequently selling assets.

IAS 19 (Amendment) "Employee benefits"

The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.

Notes to the Financial Statements

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- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply theses amendments from 1 January 2009. It is not expected that these amendments will have an impact on the Group financial statements.

IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations as there are no loans received from the government.

IAS 27 (Amendment) "Consolidated and separate financial statements"

This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone accounts.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply this amendment from 1 January 2009.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in an associate to be equity accounted in the Group's consolidated accounts.

IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

Notes to the Financial Statements

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IAS 31 (Amendment) "Interests in joint ventures" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in joint venture is accounted for in accordance with with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in terms of IAS 39.

IAS 36 (Amendment) "Impairment of assets"

This amendment requires that were fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets are amortised using the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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. The amendment will not have an impact on the Group's operations, as there are no investment properties are held by the Group.

IAS 41 (Amendment) "Agriculture"

This amendment requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "'First-time adoption") (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment prospectively to all partial disposals of subsidiaries from 1 January 2010.

3.1 Investment in Subsidiaries

Investment in subsidiaries are stated at cost less impairment.

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 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

3.4 Foreign currency translation

(a) Functional and presentation 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;
- 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.

Investment property is measured initially at its cost, included related transaction costs.

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.

Notes to the Financial Statements

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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.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

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.

Investment property held for sale without redevelopment is classified within non-current assets held for sale under IFRS 5.

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.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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.

All borrowing costs are expensed.

3.7 Leasing

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.

(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.

3.8 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.

3.9 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.

3.10 Cash and cash equivalents

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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 three months or less.

3.11 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.

3.12 Trade payables

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

3.13 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.

3.14 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 20). 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.

3.15 Provisions

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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.

3.16 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.

3.17 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.

3.18 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 either the board of directors or the Company's shareholders.

3.19 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.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

3.20 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 2.

Risk management is carried out by the Company's management based on the advice of the treasury and risk 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 2008 and 2007 was not significant representing less than 9% 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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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.

The sensitivity analyses below are based on a change in an assumption while holding other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values.

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 € 55million.

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.

	Group As at 31 December	
	2008	**2007**
Financial assets - current		
Trade and other receivables – maturity within one year	7.900	4.697
Cash and cash equivalents – maturity within one year	204.142	256.112
	212.042	**260.809**
Financial liabilities – non-current		
Borrowings, including finance leases		
Between 2 and 5 years	34.326	6.554
Over 5 years	37.654	45.202
	71.980	**51.756**
Current Liabilities		
Trade and other payables – maturity within one year (including dividends payable)	10.072	18.834
Current income tax liabilities	2.026	1.536
Borrowings, including finance leases	4.428	1.265
	16.526	**21.635**
	88.506	**73.391**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

	Company As at 31 December	
	2008	**2007**
Financial assets - current		
Trade and other receivables – maturity within one year	7.886	6.356
Cash and cash equivalents – maturity within one year	199.962	256.112
	207.848	**261.519**
Financial liabilities – non-current		
Borrowings, including finance leases		
Between 2 and 5 years	11.561	7.284
Over 5 years	11.037	30.354
	22.598	**37.638**
Current Liabilities		
Trade and other payables (including dividends payable)	8.289	18.599
Current income tax liabilities	1.943	1.520
Borrowings, including finance leases	1.514	1.265
	11.746	**21.384**
	34.547	**59.254**

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 31 December 2008 and 31 December 2007 were as follows:

	As at 31 December	
	2008	**2007**
Total borrowings (including finance leases)	76.408	53.021
Total assets	809.142	774.581
Gearing ratio	9,4%	6,8%

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.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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) Estimate 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 expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

Were the void periods assumed in the discounted cash flow analysis to differ by +/- 10% from management's estimates, the carrying amount of investment properties would be an estimated €2,464 lower or €2,437 higher.

Were the discount rate used in the discounted cash flow analysis to differ by +/- 10% from management's estimates, the carrying amount of the investment properties would be an estimated €31,806 lower or €34,273 higher.

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

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

6 Segment Information

a) Primary reporting format – business segments

At 31 December 2008, the Group is organised into three main business segments determined in accordance with the type of the investment property:

Offices – mainly in Athens, Romania and Serbia
Retail – mainly bank branches
Industrial – principally logistics, including parking spaces.

For the year ended 31 December 2008:

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	24,289	7,933	6,428	38,650
RESULTS	23,017	6,445	5,092	34,554
Segment result (including fair value gains/(loss))				
Unallocated corporate expenses				(268)
Unallocat ed corporate income				-
Operating profit				34,286
Interest income				11,126
Finance costs				(3,836)
Profit before income tax				**41,576**
Income tax expense				(3,152)
Profit for the period ended 31/12/2008				**38,424**

For the year ended 31 December 2007:

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	17,710	4,386	5,797	27,893
RESULTS				
Segment result (including fair value gains/(loss))	25,471	9,777	7,341	42,589
Unallocated corporate expenses				(1,644)
Unallocated corporate income				11
Operating profit				40,956
Interest income				2,286
Finance costs				(3,582)
Profit before income tax				**39,660**
Income tax expense				(2,335)
Profit for the period ended 31 December 2007				**37,325**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

7 Investment Property

	Group	Company
Period ended 31 December 2007		
At beginning of period – 1 January 2007	**339.888**	**339.888**
Additions	84,433	58,083
Transfer from property, plant and equipment	45,703	22,047
Disposals	(1.293)	(1.293)
Net gain from fair value adjustments	19.568	19.289
At end of period – 31 December 2007	**488.299**	**438.014**
Period ended 31 December 2008		
At beginning of period – 1 January 2008	**488.299**	**438.014**
Additions	87.830	25.621
Net gain from fair value adjustments	2.160	(795)
At end of period – 31 December 2008	**578.289**	**462.840**

Investment properties are fairly valued on a quarterly basis based on management's assessment of market conditions in existence at each balance sheet date. In accordance with existing Greek REIC legislation, property valuations have to be supported by independent appraisals performed by the Greek Institute of Certified Appraisers ("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 8 January 2008, the Company entered into an agreement for the purchase of 100% of the shares of Greek company "Kalambokis Tours & Cargo S.A.", owner of a property located Schimatari municipality, Prefecture of Viotia, which is subject to two leases expiring at 2011. The acquisition price for the shares has been agreed at €5,350 on a debt free and liability free basis.A first rate mortgage of €1,859 exists in favour of Cooperative Bank of Chania over a property of Kalampokis Tours and Cargo S.A.

On 18 January 2008, the Company acquired two retail properties located in Kifissias Avenue by Pasal Development S.A., for a total consideration of €16,014 (excluding notaries and lawyers fees of €257) Both properties are subject to operating leases with SATO S.A. and the leases expire at 2016 and 2019.

On 15 March 2008, the Company acquired a retail property located in 66-68, Chevonoarmiyska str., Kiev, Ukraine, for a total consideration of €5,753. The property will be leased to Universal Bank, member of the Eurobank EFG Group.

On 15 April 2008, the Company acquired a retail property located in Trikala municipality, 65 Karditsas Street. The acquired property is leased to the well-known Greek hypermarkets retailer «AV Vassilopoulos S.A» with the lease contract expiring in 2028. The acquisition price was €3,150 excluding notaries and lawyers fees of €53.

On 25 June 2008, Reco Real Property A.D. (a subsidiary of the Company) acquired a retail property located in Nis, Serbia for a total consideration of €2,066. The property was leased to a well known fashion retailer for a period of 10 years with an optional 5 year extension. A first rate mortgage of €4,.000 thousand has been registered in favour of Eurobank EFG Savings Bank a.d. over a property of Reco

On June 4 2008, the Company entered an agreement for the purchase of 99,99% of the shares of Romanian joint stock company "Retail Development S.A.", which is the owner of a retail building. The property is located at 113, Tudor Vladimirescu in Iasi, Romania, which is subject to a lease with the well-known company S.C. Praktiker SRL expiring in 2022. The acquisition price has been agreed at €4.561 on a liability and debt free basis.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

The fair value of the identifiable assets and liabilities of Retail Development as at the date of acquisition were:

	Fair value on acquisition date	Previous carrying value
Investment Propery	14.574	14.500
Cash and cash equivelant	106	106
Other assets	4	4
	14.684	**14.610**
Debt – bank borrowings (Note 10)	-10.362	-10.362
Other Liabilities	-96	-96
	-10.458	**-10.458**
Net assets	4.226	4.152
Goodwill on acquisition date	335	
Total acquisition cost	**4,561,00**	

On 31 July 2008, has proceeded with the acquisition of 99,99% of the shares of the Romanian company Seferco Development S.A. in execution of a preliminary agreement that was signed by the Company last summer. Seferco is the owner of a newly-built office building in Pipera area of Bucharest and it is located on the corner of Dimitrie Pompeiu Bd. and Ing. G. Constantinescu Street, Bucharest, Romania The acquisition price has been agreed at €21,486 on a liability and debt free basis.

The fair value of the identifiable assets and liabilities of Sefereco Development as at the date of acquisition were:

	Fair value on acquisition date	Previous carrying value
Investment Propery (Note 5)	43.215	39.801
Cash and cash equivelant	141	252
Other assets	1.757	1.757
	45.113	**41.810**
Debt – bank borrowings (Note 10)	-21.291	-21.291
Other Liabilities	-169	-169
	-21.460	**-21.460**
Net assets	23.653	20.350
Negative goodwill arising on acquisition	-2.167	
Total acquisition cost	**21.486**	

Negative goodwill has been included in other income on income statement as of 31 December 2008.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

8 Property, plant and equipment

Group

	Land and buildings	Fixtures and equipment	Property under development	Total
At 1 January 2007				
Cost	334	340	573	1.247
Accumulated depreciation	(2)	(178)	-	(180)
Net Book Value	**332**	**162**	**573**	**1.067**
Period ended 30 June 2007				
Opening net amount at 1 January 2007	332	162	573	1.067
Additions	-	20	48.148	48.168
Depreciation charge	(5)	(40)	-	(45)
Transfer to investment property	-	-	(45.703)	(45.703)
NBV at December 31, 2007	**327**	**142**	**3.018**	**3.487**
At 31 December 2007				
Cost	334	360	3.018	3.712
Accumulated depreciation	(7)	(218)	-	(225)
Net Book Value	**327**	**142**	**3.018**	**3.487**
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**
Period ended 31 December 2008				
Opening net amount at 1 January 2008	327	142	3.018	3.487
Additions	-	25	4.250	4.275
Depreciation charge	(10)	(29)	-	(39)
NBV at December 31, 2008	**317**	**138**	**7.268**	**7.722**
At 31 December 2008				
Cost	334	385	7.268	7.986
Accumulated depreciation	(17)	(203)	-	(220)
Net book amount	**317**	**182**	**7.268**	**7.767**

6 Property, plant and equipment - continued

Company

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

	Land and buildings	Fixtures and equipment	Property under development	Total
At 1 January 2007				
Cost	334	340	573	1.247
Accumulated depreciation	(2)	(178)	-	(180)
Net book amount	**332**	**162**	**573**	**1.067**
Period ended 31 December 2007				
Opening net amount at 1 January 2007	332	162	573	1.067
Additions	-	20	24.492	24.512
Depreciation charge	(5)	(40)	-	(45)
Transfer to investment property	-	-	(22.047)	(22.047)
Closing net book amount at 31 December 2007	**327**	**142**	**3.018**	**3.487**
At 31 December 2007				
Cost	334	360	3.018	3.712
Accumulated depreciation	(7)	(218)	-	(225)
Net book amount	**327**	**142**	**3.018**	**3.487**
At 1 January 2008				
Cost	334	360	3.018	3.712
Accumulated depreciation	(7)	(218)	-	(225)
Net book amount	**327**	**142**	**3.018**	**3.487**
Period ended 31 December 2008				
Opening net amount at 1 January 2007	327	142	3.018	3.487
Additions	-	24	-	24
Depreciation charge	(10)	(29)	-	(39)
Closing net book amount at 31 December 2008	**317**	**137**	**3.018**	**3.472**
At 31 December 2008				
Cost	334	384	3.018	3.736
Accumulated depreciation	(17)	(203)	-	(220)
Net book amount	**317**	**181**	**3.018**	**3.516**

Land and buildings comprise freehold owner-occupied property located at 6 Siniosoglou Street, Nea Ionia, used for administration purposes.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

9 Investment in subsidiaries

	Country of incorporation	% of interest	30/06/2008	31/12/2007	Unaudited Tax fiscal years
Reco Real Property A.D.	Serbia	100%	20.139	22.630	2007-2008
Eliade Tower S.A.	Romania	99.99%	11.805	11.915	2006-2008
Retail Development S.A.	Romania	99.99%	4.561	-	2007-2008
Kalambokis Tours and Cargo S.A.	Greece	100%	3.917	-	2007-2007
Seferco Development S.A	Romania	99,99%	21.486	-	-
			61.908	**34.545**	

As of 31 December 2008 the final acquisition price of Reco Real Property A.D. amounted to €20,139. In 2008, an amount of €2,491 that related to construction works were paid by the company and according to the agreement reduced the cost of investment.

10 Trade and other receivables

Trade and other receivables comprise:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade receivables	1,372	2,047	1,347	1,793
Receivables from related parties (Note 19)	485	284	3,454	2,522
Advances for the purchase of assets	10,000	21,669	10,000	21,669
Other receivables	6,043	2,505	3,085	2,130
	17,900	26,505	17,886	28,114
Less: non current portion	10,000	21,808	10,000	21,758
Current portion	**7,900**	**4,697**	**7,886**	**6,356**

Amounts receivable by the Company from related parties as at 30 June 2008 primarily comprise shareholder loans of €2,238 and €911 payable by the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A., respectively (see Note 9).

Advances for the purchase of assets comprise:

Advances for the purchase of shares in foreign subsidiaries

On May 2008 the Company has 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.. The company is the owner of a land plot of 5,646 sqm, located in Tavros municipality (Southern Athens). According to the promissory contract, the advance payment for the acquisition of "Tavros Protypi Anaptixi S.A." shares has been agreed at € 10,000. The total acquisition price (including the advance) has been agreed at € 50,350 on a liability and debt-free basis. The amount to be paid at the time of the signing of the final share purchase agreement will be adjusted taking into consideration any debt / liabilities existing then. The investment will be financed through the recent capital increase that took place during December 2007. The signing of the final share purchase agreement is expected to be realized in the first quarter of 2010.

Included in other receivables is an amount of €587 concerning allowance for doubtful debt recorded in the period ending December 31, 2008.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

11 Cash and cash equivalents

Cash and cash equivalents comprise:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Cash in hand	6	7	3	7
Cash at bank and short term deposits	204,136	256,105	199,959	255,156
	204,142	**256,112**	**199,962**	**255,163**

12 Share Capital

The movement of the share capital and the share premium is as follows:

	Number of shares (thousands)	**Share Capital**	**Share premium**	**Total**
At 1 January 2007	**24,400**	**51,972**	**221,962**	**273,934**
Proceeds from share capital increase	36,600	77,958	251,442	329,400
Costs associated with share capital increase	-	-	(6,655)	(6,655)
At 31 December 2007	**61,000**	**129,930**	**466,749**	**596,679**
At 1 January 2008	**61.000**	**129.930**	**466.749**	**596.679**
At 31 December 2008	**61.000**	**129.930**	**466.749**	**596.679**

The total authorised number of ordinary shares is 61,000 thousands (31 December 2007 - 61,000 thousands) with a par value of €2.13 per share. All shares are fully paid up.

As of 31 December 2008 neither the company nor its subsidiaries and associate companies held own shares of the company.

The Company does not operate a shared based compensation scheme nor do any of its employees participate in its parent company's group share based compensation scheme.

13 Borrowings, including obligations under finance leases

All borrowings are at floating rates of interest. 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 below:

	Group 31 December		Company 31 December	
	2008	**2007**	**2008**	**2007**
Non-current				
Bank borrowings	49,298	14.118	-	-
Finance lease obligations	22,682	37.638	22.598	37.638
Total non-current borrowings	71.980	51.756	22.598	37.638
Current				
Finance lease obligations	4.428	1.265	1.514	1.265
Total current borrowings	4.428	1.265	1.514	1.265
Total borrowings	**76.408**	**53.021**	**24.112**	**38.903**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

The maturity of the non-current borrowings is as follows:

	Group 31 December		Company 31 December	
	2008	**2007**	**2008**	**2007**
Between 1 and 2 years	4,428	2,866	1,514	2,866
Between 2 and 5 years	34,327	5,683	11,561	5,683
Over 5 years	37,653	44,472	11,037	30,354
	76,408	**53,021**	**24,112**	**38,903**

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates are restricted to a maximum re-pricing period of 90 days.

The effective interest rates at the balance sheet dates were as follows

	Group 31 December		Company 31 December	
	2008	**2007**	**2008**	**2007**
Bank borrowings	5,62%	5,89%	-	5,42%
Finance lease obligations	5,45%	5,42%	5,45%	5,42%

The fair value of these floating-rate borrowings closely approximate their carrying amounts at the various balance sheet dates as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the latest applicable floating rates at the end of the year.

The Group is not exposed to any foreign currency risks on its borrowings since as all borrowings are denominated in the functional currency.

Minimum Lease Payments

	Group and Company 31 December	
	2008	**2007**
No later than 1 year	2.589	3.594
Later than 1 year but not later than 5 years	16.132	14.950
Later than 5 years	12.212	41.292
	30.933	59.836
Less future finance charges	(6.821)	(20.933)
Present value of finance lease obligation	**24.112**	**38.903**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Present value of minimum lease payments

	Group and Company 31 December	
	2008	**2007**
Not later than 1 year	1.514	1.265
Later than 1 year but not later than 5 years	11.565	6.554
Later than 5 years	11.033	31.084
Present value of lease obligation	**24.112**	**38.903**

Finance lease obligations are secured over investment properties (see Note 7).

Rentals receivable under sub-leases relating to the properties acquired through finance leases have been assigned to the principal lessors as securities for lease payments payable by the Company under the finance leases

Future minimum payments receivable under non-cancellable subleases were as follows:

	Group and Company 31 December	
	2008	**2007**
Not later than 1 year	2.641	3.517
Later than 1 year but not later than 5 years	8.847	14.171
Later than 5 years	492	10.675
Present value of lease obligation	**11.980**	**28.363**

During the period ended 30 June 2008, the Group assumed a loan of € 800. The loan was assumed by Reco Real Property A.D. in order to finance further works on the investment property and is secured over this investment property. As of 30 June 2008, Reco Real Property A.D. assumed a second loan of € 1,700 in order to finance the acquisition of a retail property in the centre of Nis (Serbia) of fair value €2,066.

A loan of €1,623 was assumed by the Group when it completed the purchase of the net assets of Kalambokis Tours & Cargo S.A. during January 2008. is loan is secured over the Kalambokis Tours & Cargo S.A. investment property.

A loan of €9,451 was assumed by the Group when it completed the purchase of the net assets of Retail Development S.A. during June 2008. This loan is guaranteed with 1st rank mortgage on land, pledge of company's receivables resulting from the lease contract with Praktiker and pledge on company's shares.

A loan of €21,191 was assumed by the Group when it completed the purchase of the net assets of Sefereco Development S.A. during August 2008. This loan is secured over Sefereco Development S.A. investment property. Additional works of approximately €3.620 will be executed on behalf of one of the tenants and will be financed through the existing credit facility of Seferco

In March 2008 the company repaid an existing finance lease of € 13,565 using proceeds from the share capital increase which was concluded in December 2007 .

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

14 Trade and other payables

Trade and other payables comprise:

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade payables	2,010	5,068	202	4,908
Other payables and accruals	3,465	10,537	3,463	10,462
Amounts due to related parties (Note 25)	4,597	3,207	4,598	3,207
	10,072	**18,812**	**8,263**	**18,577**

The Company for the period ended 31 December 2008 has received rental guarantees of amounting to Euro 3.078.

15 Revenue

	Group Year ended 31 December		Company Year ended 31 December	
	2008	**2007**	**2008**	**2007**
Rental Income from investment properties	38.650	26.823	32.634	26.000
Realised gain on sale of investment properties	-	1.070	-	1.070
	38.650	**27.893**	**32.634**	**27.070**

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

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

	Group Year ended 31 December		Company Year ended 31 December	
	2008	**2007**	**2008**	**2007**
No later than 1 year	38,685	34,027	30,652	30,277
Later than 1 year but not later than 5 years	144,890	131,047	117,991	120,146
Later than 5 years	208,103	175,191	167,236	169,082
	391,679	**340,265**	**315,879**	**319,505**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

16 Other direct property related expenses

Other direct property related expenses comprise the following:

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2008	2007	2008	2007
Expenses relating to the acquisition of investment properties	1.490	1.021	1.209	1.021
Insurance and other expenses	1.243	859	581	680
	2.733	**1.880**	**1.790**	**1.701**

Direct operating expenses incurred on let and vacant investment properties were as follows

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2008	2007	2008	2007
Let properties	2,709	1,871	1,821	1,692
Vacant properties	24	9	24	9
	2,733	**1,880**	**1,845**	**1,701**

17 Employee Benefit Expense

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2008	2007	2008	2007
Wages and salaries	555	413	555	413
Social security costs	119	82	119	82
Other benefits	117	62	117	62
Bonus paid to employees	794	272	794	272
Total employee costs	**1.585**	**829**	**1.585**	**829**

The amount of €794 includes bonuses paid in 2008 amounting to €266 but relating to 2007. In addition, included in bonuses paid to employees is a provision of €528 for the year 2008 that will be paid in 2009.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

18 Other Expenses

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2008	2007	2008	2007
Professional fees	672	410	365	403
Advertising, publication and other related expenses	271	222	271	222
ETAK (property tax)	234	-	234	-
Non deductible VAT	505	643	436	643
Other	971	333	290	257
	2.653	**1.608**	**1.592**	**1.525**

19 Income tax expense

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Domestic taxes	3.915	2.498	3.886	2.498
Foreign taxes	(763)	(163)	-	-
	3.152	**2.335**	**3.886**	**2.498**

The Company is exempted from corporate income tax under Greek REIC legislation and is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1% (The taxation formula is as follows: 10% * (ECB reference rate + 1%)). The above tax is final and relieves the Company and its shareholders any further tax liabilities.

The Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 10% (Serbia), 16% (Romania), 25% (Ukraine) applicable to each respective tax jurisdiction. No significant foreign income tax expense was incurred during the year ended 31 December 2008.

20 Dividends per share

On 13 March 2008, the Company's shareholders approved the payment of dividend for the year 2007 of € 17,568 including the interim dividend paid in December 2007 amounting to €7,808. On 31 October 2008, the Company's shareholders approved the payment of interim dividend for the year 2008 of € 0,15 per share or €9.150.

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	
	31/12/2008	31/12/2007
Profit attributable to equity holders of the Company	38.424	37.325
Weighted average number of ordinary shares in issue (thousands)	61.000	25.202
Basic earnings per share (€ per share)	**0,63**	**1,48**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

21 Earnings per share - continued

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 Cash generated from operations

		Group		Company	
	Note	1/1 – 31/12/2008	1/1 – 31/12/2007	1/1 – 31/12/2008	1/1 – 31/12/2007
Profit for the period		**38.424**	**37.325**	**30.404**	**36.531**
Adjustments for:					
Other gains and losses		(2.810)	(22)	(46)	(29)
Provisions		1.096	-	669	-
Interest income		(11.126)	(2.286)	(11.091)	(2.279)
Finance costs		3.836	3.582	1.556	3.212
Income tax expense		3.152	2.335	3.886	2.498
Depreciation of property, plant and equipment	6	39	45	38	45
Increase in fair value of investment property	5	(2.160)	(19.568)	795	(19.289)
Gain on disposal of investment property		-	2.363	-	2.363
Proceeds on disposal of investment property		-	(1.070)	-	(1.070)
Operating cash flows before movements in working capital		**30.451**	**22.704**	**26.211**	**21.982**
Decrease / (Increase) in receivables		(669)	750	769	915
(Decrease) / Increase in payables		(4.613)	(52)	(3.396)	7
Cash generated from operations		**25.169**	**23.402**	**23.584**	**22.904**

23 Contingent Liabilities

The Company has not been subject to tax audit for the years ended 31 December 2005, 2006 ,2007 and 2008. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax years.

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 31 December 2004. The Company's management, based on the advice of its tax 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 lax legislation, whilst other amounts assessed totalling €446 were accepted and fully settled. The Company's management believes that no provision for the later amounts finally assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise.

The company has no contingent liabilities relating to banks, other guarantees and other issues that arise in the framework of its operating activity.

The company has issued a letter of guarantee to Bancpost S.A in favour of Eliade Tower amounting to €12,227 and expires in December 2009 in order to guarantee the loan received by Eliade Tower S.A.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

24 Capital Commitments

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Development of investment properties	-	2.463	-	1.500
Acquisition of investment properties	-	5.171	-	5.171
Acquisition of local subsidiaries	40.350	-	40.350	-
Acquisition of foreign entities (Note 8)	3.380	29.513	-	29.513
	43.730	**37.147**	**40.350**	**36.184**

25 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 11.23% of the Company's shares are held by Lamda Development S.A., a company related to EFG Eurobank Ergasias. The ultimate parent company of the Company is EFG Bank European Financial Group, a bank incorporated in Switzerland. All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Company.

The following transactions were carried out with related parties:

(a) Rental income received and sale of services – Group and Company

	Year ended	
	31/12/2008	**31/12/2007**
Rental income received		
Parent (EFG Eurobank Ergasias S.A.)	11,199	6.659
Subsidiaries of parent company	1,501	449
Associates of parent Company	-	118
	12,700	**7.226**

(b) Purchase of services

Group

	Year ended	
	31/12/2008	**31/12/2007**
Management fees		
Parent (EFG Eurobank Ergasias S.A.)	1,386	1.800
Valuations and Brokerage Fees		
Subsidiary of parent company (Eurobank Property Services)	1.087	283
	2.473	**2,083**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Company

	Year Ended	
	31/12/2008	**31/12/2007**
Management fees		
Parent (EFG Eurobank Ergasias S.A.)	1.354	1.016
Valuations and Brokerage Fees		
Subsidiary of parent company (Eurobank Property Services)	815	27
	2.169	**1.043**

Management fees represent amounts payable to EFG Eurobank Ergasias for investment property management and other administrative services (see Note 1).

(c) Financing costs incurred on borrowings

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Bank Borrowings				
Parent (EFG Eurobank Ergasias S.A.)	65	1.103	22	1.103
Subsidiary of Parent Company (EFG New Europe Funding BV)	157	38	-	-
Subsidiary of Parent Company ((Eurobank EFG Luxemburg)	690			-
Subsidiary of parent company (Eurobank EFG Stedionica A.D., Beograd)	57	-	-	-
Subsidiary of parent company (SC Bancpost S.A)	140	-	-	
Finance Leases	-	-	-	-
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	1,344	1.912	1.344	1.536
	2.453	**3.053**	**1.366**	**2.639**

(d) Interest income earned on cash and cash equivalents

	Group Year ended		Company Year ended	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Parent (EFG Eurobank Ergasias S.A.)	10,992	1,729	10,992	2,279
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	37	-	-	-
	11,029	**1,729**	**10,992**	**2,279**

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

(e) Transfer under financing arrangements

	Group Year ended		Company Year ended	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net cash transfers in/(out) under financing arrangements				
Parent (EFG Eurobank Ergasias S.A.)	-	(18.000)	-	(18.000)
Subsidiary of Parent Company (EFG New Europe Funding B)	800	1.500		-
Subsidiary of Parent Company ((Eurobank EFG Luxemburg)	21.291	-	-	-
Subsidiary of parent company (Eurobank EFG Stedionica A.D., Beograd)	1,700	-	-	
Subsidiary of Parent Company (SC Bancpost S.A.)	(130)	12,618	-	-
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(14.791)	(1,201)	(14.791)	(1,201)
	8.870	**(5,083)**	**(14.791)**	**(19,201)**

(f) Key management compensation – Group and Company

	Year Ended	
	31/12/2008	31/12/2007
Salaries and other short-term employee benefits	**1.019**	**535**

The amount of €1.019 includes a provision for bonuses amounting to €480 for year 2008 that will be paid in 2009.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

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

	Group		Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade receivables from related parties				
Parent (EFG Eurobank Ergasias S.A.)	-	221	58	221
Subsidiaries	-	-	3.014	2.238
Other related parties	9	63	50	63
	9	**284**	**3.122**	**2.522**
Trade payables to related parties				
Parent (EFG Eurobank Ergasias S.A.)	1.796	2.699	2.340	2.699
Other related parties	463	508	2.197	508
	2.259	**3.207**	**4.537**	**3.207**
Borrowings, including finance lease obligations				
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1.700	-	-	-
Subsidiary of Parent Company (SC Bancpost S.A.)	12.487	12.618	-	-
Subsidiary of Parent Company (EFG New Europe Funding BV)	2.300	1.500	-	-
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	21.890	35.997	21.890	35.997
	38.377	**50.115**	**21.890**	**35.997**
Cash and cash equivalents				
Parent (EFG Eurobank Ergasias S.A.)	178.218	255.101	177.765	255.101
Subsidiary of Parent Company (SC Bancpost S.A.)	345	-	-	-
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	506	336	-	-
	179.096	**255.437**	**177.765**	**255.101**

(h) Commitments and Contingencies

There were no commitments and contingencies between the Company and related parties.

26 Events after the balance sheet date

Eurobank Properties REIC, concluded the sale of a property located in the region of Kallithea. The said building is of mixed use consisting of a retail store, a gas station in the ground floor, five office levels and two basements of parking spaces, located in 2, El.Venizelou Avenue, Kallithea.
The price for the property was agreed to €9.900.000. The fair value estimated by the Body of Sworn-In Valuers of Greece (SOE) as of 31-12-2008 was €9.858.802. 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 €5.455.917,82 which has already been recognized in the financial results of the Company as fair value gain during the holding period of the property.

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

27 Seasonality

The Company's rental income is not subject to seasonal fluctuations.

28 Number of Employees

The total number of employees as at the end of the period was 16 (31/12/2007: 8)

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY
Reg. Number 365/06/B/86/2
HELLENIC CAPITAL MARKET COMMITTEE DECISION 11/352/21.9.2005
REGISTERED OFFICES: 6, SINIOSOGLOU STREET, GR 142 34, N. IONIA

It is hereby notified, in accordance with decision as of 20.12.2007 of the Athens Stock Exchange, that from the Company's share capital increase by cash to existing shareholders, at a ratio of three new shares for every two shares , which took place on the basis of decisions of the Company's Extraordinary General Assemblies on 03.09.2007 and 15.10.2007, respectively, raised a net capital of €322.745 thousand (total amount of €329.400 thousand less issuing costs of €6.655 thousand). From this share capital increase 36.600.000 new common shares have been issued at an issue price of €9 per share, which were listed for trading on the Athens Exchange on 24.12.2007. The Company's share capital increase was confirmed by the Board of Directors on 13.12.2007. The proceeds from the share capital increase were distributed, in accordance with the Offering Memorandum, until **31.12.2008**, as follows:

TIMESCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

	SHARE CAPITAL INCREASE PROCEEDS	Investments 2nd Semester 2007			Total Investment	
Amounts in € thousand	2nd Semester 2007	2007	1st Semester 2008	2nd Semester 2008	31/12/2008	Remaining balance to be invested
Investment in Real Estaet Property providing income used as Offices or other Professional or Industrial Purposes	322.745	52.312	35.208	10.000	97.520	181.660
Repayment of Loans		30.000	13.565	-	43.565	
Total	**322.745**	**82.312**	**48.773**	**10.000**	**141.085**	**181.660**

Notes:

1. The final amount of net proceeds from the share capital increase amounted to € 322.745 thousand. This amount is greater than the amount reported in the Offering Memorandum by €646 thousand due to reduced expenses. The total expense amounted to € 6.655 thousand.

2. On 28 December 2007, the Company entered into a preliminary agreement with third parties to acquire a commercial investment property located in Kiev, Ukraine, for a total purchase consideration of €5,853 thousand. In accordance with the agreement, the Company has paid an advance of €682 thousand.On 15 March 2008 the company signed the final agreement and paid an amount of €5,062 thousand (including lawyers and notary fees of amount €245) which was financed from the remaining share capital increase proceeds. On 18 January 2008, the Company acquired two retail properties located in Kifissias Avenue from Pasal Development S.A. The company paid an amount of €16,282 thousand, including lawyers and nataries fees of €257 thousand (the amount has been funded from the share capital increase proceeds). On 15 April 2008, the Company acquired a commercial property located in Trikala. The company paid an amount of €3,203 thousand (including lawyers and nataries fees of €53 thousand), which was financed from the share capital increase proceeds. On 8 January 2008, the Company acquired 100% of the shares of Greek company "Kalampokis Tours & Cargo S.A.", owner of a property located Schimatari municipality, Prefecture of Viotia for a price of €5,350 thousand. The company paid

On 4 June 2008 the company acquired 99% of the Romanian Company " Retrail Development S.A." owner of a property in Iasi for a total consideration of €14,500 thousand. The company paid an amount of €4,152 thousand, which was the agreed price less liabilities and debt (the amount has been funded from the share capital increase proceeds). On 8 August 2007 thecompany entered into a preliminary agreement for the acquisition of 99,99% of the share capital of a Romanian Company owmer of an office propertry in Bucharest. On 25 February 2008 the conpany made a prepayment of €2,263 which was funded from the share capital increase proceeds. Amount of €116 thousabd relates to property acquisition costs (lawyers, notaries etc) that the company acquired in 2007. Finally on 27 March 2008 the company prepaid a finace lease for the acquisition of property and paid an amount of €13,565 thousand that was funded from the share capital increase proceeds. For the transfer of the property expenses of €216 thousand were paid.

oN May 7th 2008 the Company 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..
According to the promissory contract, the advance payment for the acquisition of "Tavros Protypi Anaptixi S.A." shares has been agreed at € 10,000,000 which was paid on July 1st 2008 . The total acquisition price (including the advance) has been agreed at € 50,350,000 on a liability and debt-free basis.

3. The remaining balance to be invested of €181,660 thousand has been temporarily invested in short term investment (time deposits) as reported in the condensed consolidated and company interim financial statements for the six month period ended 31 December 2008

Nea Ionia, 28 January 2008

THE EXECUTIVE MEMBER OF THE BoD	THE GENERAL MANAGER	THE CHIEF FINANCIAL OFFICER
NIKOLAOS A. BERTSOS	GEORGIOS CHRYSSIKOS	STYLIANOS PROBONAS
I.D. Number Π 070963	I.D. Number N 161578	I.D. Number Σ 722634

[Translation from the original text in Greek]

Report of factual findings in connection with the 'Report on Usage of Funds'

To the Board of Directors of Eurobank Properties REIC company

aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and to report to you on our findings. The procedures were performed solely to assist you in evaluating the validity of "Report on the usage of funds" and are summarized as follows:

Procedures:

1. 1. We compared the amounts referred to as disbursements in the accompanied 'Report on Usage of Funds from the share capital increase paid in cash in 2007 and from the initial public offering in 2005' with the relevant amounts recorded in the company's books and records in the respective timeframe.

2. 2. We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Company's decisions and announcements.

We report our findings below:

a) The amounts which appear, per usage or investment type, as disbursements in the accompanied 'Report on Usage of Funds from the share capital increase paid in cash in 2007 and from the initial public offering in 2005' are derived from the company's books and records in the respective timeframe.

b) The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Company's decisions and announcements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the "Report on the usage of funds" as of 31.12.2008.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the "Report on the usage of funds" specified above and does not extend to any financial statements of Eurobank Properties REIC, taken as a whole. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the financial period from 01/01/2008 to 31/12/2008, for which we have issued a separate audit report statement, as of 31/01/2009.

Nea Ionia, 30 January 2009
The Chartered Accountant Auditor

Marios Psaltis
SOEL Reg. No 38081

Notes to the Financial Statements

All amounts expressed in €'000s unless otherwise stated

Properties

Eurobank Properties REIC

Register No 36506/B/86/2, Capital Market Commission Decision Number 11/352/21.9.2005 - Sinosoglou 6, 142 34, Nea Ionia

Summary financial data and information for the six-month period ended 31 December 2008

According to Law 2190/20, article 135 for companies that prepare annual financial statements according to IFRS

The financial information listed below, extacted from the financial statements, aims to provide a general awareness about the financial position and the financial results of the Company Eurobank Properties REIC. Consequently, it is recommended to the reader, before any investment decision or transaction is performed with the Company, to visit the website of the Company where the full financial statements are available, including the auditors opinion if required.

COMPANY'S DATA

Registered office:	6 Sinosoglou Str, 142 34, Nea Ionia
Main activity:	REIC
Register No.:	36506/B/86/2
Capital Market Commission Decision Number:	11/352/21.9.2005
Date of approval of the annual financial statements from which summary data were compiled:	26/01/2008
Certified Auditor Accountant	Marios Psaltis
Audit Firm: PricewaterhouseCoopers S.A.	
Audit Opinion	Unqualified
Company's website:	http://www.eurobankproperties.gr

Board of Directors:	
Nikolaos A. Bertsos	Chairman
George Papageorgiou	Vice Chairman
George Chrysikos	Executive Member
Nikolaos Galetas	Independent Non Executive Member
Leonidas Theoklitos	Independent Non Executive Member
Dimitrios Serbetis	Independent Non Executive Member
Spyridon Makridakis	Independent Non Executive Member

BALANCE SHEET INFORMATION AS AT 30 September 2008
Amounts in Euro thousand

Company 30.09.2008	Company 31.12.2007		Group 30.06.2008	Group 31.12.2007
		ASSETS		
466.529	438.014	Investment property	586.311	488.299
468	469	Owner occupied property, plant and equipment	454	469
3.041	3.018	Properties under construction	3.704	3.018
61.763	34.545	Investment in subsidiaries	0	0
0	0	Intragible assets including goodwil	223	
0	0	Deferred tax asset	278	178
10.000	21.758	Other non-current assets	10.000	21.808
541.801	**497.804**	**Total non-current assets**	**600.970**	**513.772**
1.608	1.922	Cash and cash equivalents		
7.178	4.434	Trade receivables	2.245	2.056
197.766	255.163	Other assets	7.587	2.642
		Cash and cash equivalents	200.577	256.112
206.552	**261.519**	**Total current assets**	**210.409**	**260.809**
		TOTAL ASSETS	**811.379**	**774.581**
748.353	**759.323**			
		EQUITY		
129.930	129.930	Share capital	129.930	129.930
466.749	466.749	Share premium	466.749	466.749
5.029	5.029	Other reserves	5.413	5.124
114.468	98.361	Retained earnings	124.548	99.155
716.176	**700.069**		**726.640**	**700.958**
		LIABILITIES		
211	232	Deferred income	211	232
22.744	37.638	Borrowings, including finance leases	72.764	51.756
22.744	**37.638**	**Total non-current liabilities**	**72.754**	**51.756**
6.503	18.577	Trade and other payables	8.981	18.812
26	22	Dividends payable	26	22
113	0	Provision	113	0
971	1.520	Current income tax liabilities	1.044	1.536
1.609	1.265	Borrowings, including finance leases	1.610	1.265
9.222	**21.384**	**Total current liabilities**	**11.774**	**21.635**
32.177	**59.254**	**TOTAL LIABILITIES**	**84.739**	**73.623**
748.353	**759.323**	**TOTAL EQUITY AND LIABILITIES**	**811.379**	**774.581**

STATEMENT OF CHANGES IN EQUITY
Amounts in Euro thousand

Company 30.09.2008	Company 30.09.2007		Group 30.09.2008	Group 30.09.2007
		- Balance at the beginning of the period		
700.069	357.141	(01.01.2008 and 01.01.2007 respectively)	700.958	357.141
0	0	- Currency translation reserves	482	446
25.867	29.339	- Profit after tax for the period	34.960	29.354
	-2.564	Expenses due to share capital increase	0	-2.564
-9.760	-8.540	Approved Dividends	-9.760	-8.540
716.176	**375.376**	**Balance at the period end (31.09.2008 and 31.09.2007 respectively)**	**726.640**	**375.837**

INCOME STATEMENT INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008
Amounts in Euro thousand

Company Continuing Operations Current Period 1.1-30.09.08	1.1-30.09.07	Comaparative Period 1.7-30.09.08	1.7-30.09.2007		Group Current Period 1.1-30.09.08	1.1-30.09.07	Comaparative Period 1.7-30.09.08	1.7-30.09.2007
24.216	19.208	8.354	6.506	Rental income	28.097	19.351	9.914	6.649
2.801	15.305	-642	2.857	Net gain from the fair value adjustment of investment properties	7.799	15.305	-704	2.857
0	1.070	0	0	Gain on disposal of investment properties	0	1.070	0	1.070
-3.038	-2.648	-651	-1.197	Less: Investment property related expenses	-4.248	-2.694	-1.147	-1.243
23.979	**32.935**	**7.061**	**8.166**	**Gross Revenue**	**31.648**	**33.032**	**8.063**	**9.333**
22.156	**31.572**	**6.395**	**7.503**	**EBIT**	**32.542**	**31.704**	**10.212**	**7.635**
28.781	**30.858**	**8.849**	**7.036**	**Profit before tax**	**37.945**	**30.871**	**11.521**	**7.051**
25.867	**29.339**	**7.878**	**6.494**	**Profit after tax**	**34.960**	**29.354**	**10.793**	**6.509**
				Distributed to:				
-	-	-	-	- Shareholders of the Company	**34.960**	**29.354**	**10.793**	**6.509**
-	-	-	-	- Minority Interest	-	-	-	-
				Earnings per share (expressed in € per share)				
0,42	1,2	0,13	0,27	- Basic and diluted	0,57	1,2	0,17	0,27
22.179	**31.605**	**6.402**	**7.514**	**EBITDA**	**32.575**	**31.737**	**10.228**	**7.646**

CASH FLOW STATEMENT
Amounts in Euro thousand

Company 1.1. - 30.09.08	1.1 - 30.09.07		Group 1.1-30.09.2008	1.1 - 30.09.07
		Operating activities:		
28.781	30.858	Profit before tax (continuing operations)	37.945	30.873
0	0	Profit before tax (discontinued operations)	0	0
		Adjustments for:		
22	33	Depreciation	33	33
-2.801	-15.305	Increase in fair value of investment property	-7.799	-15.305
113		Provision	161	
0	-1.070	Gain on disposal of investment property	0	-1.070
0	2.363	Proceeds on disposal of investment property	0	2.363
-22	-21	Results (income, expenses, gains and losses) of investment operations	-2.446	-43
-7.851	-1.599	Interest income	-7.883	-1.599
1.226	2.313	Interest and other related expenses	2.480	2.430
		Increase/decrease - adjustments to operating activities and working capital changes		
-50	212	Decrease / (increase) in receivables	-1.159	-158
-1.790	-2.288	(Decrease) / increase in payables (ext. borrowings)	-896	-1.418
		Less:		
-1.226	-1.592	Interest and related expenses paid	-2.480	-1.592
-1.914	-1.909	Income taxes paid	-1.914	-2.026
14.480	11.995	**Net cash from operating activities (a)**	16.042	12.488
		Investing activities		
0	-15	Purchases of property, plant and equipment	0	-15
-346	-868	Capital expenditure on investment properties	687	-868
-36.725	-4.392	Acquisition of investment properties	-43.323	-30.742
-3.000	-10.377	Acquisition of investment properties under development	-3.000	-25.828
-3.917	-26.916	Acquisition of local subsidiaries	0	0
-910	-11.549	Foreign subsidiaries loan		0
-10.000	-2.238	Advances for the acquisition of investment properties and foreign subsidiaries	-10.000	-11.549
110	0	Refund from final price calulation of Eliade Tower S.A.	0	0
7.851	1.599	Interest recieved	6.573	1.599
-46.937	-54.755	**Net cash from / (used in) investing activities (b)**	-50.437	-67.403
		Financing activities		
-748	-866	Costs associated with share offering	-748	-866
0	4.000	Proceeds from borrowings	3.800	18.197
0		Repayment of loans		0
-14.436	-1.002	Repayment of finance leases	-14.436	-1.002
-9.756	-8.522	Dividends paid	-9.756	-8.522
-24.940	-6.470	**Net cash used in financing activities (c)**	-21.140	7.727
-57.397	-49.230	**Net increase / (decrease) in cash and cash equivalents for the period (a)+(b)+(c)**	-55.535	-47.188
255.163	72.901	**Cash and cash equivalents at the beginning of the period**	256.112	72.901
0	0	**Exchange losses on cash and cash equivalents**		-22
197.766	23.671	**Cash and cash equivalents at the end of the period**	200.577	25.691

Additional data and information (amounts in Euro thousand):

1. The Company has been audited by tax authorities up to 2004. For further information refer to Note 14 of the Nine month review report for the month period ended 30 September 2008.
2. The Company's financial statements are included in the consolidated financial statements of EFG Eurobank Ergasias S.A. (registered offices in Greece), which owns 55,36% of the Company's ordinary shares, by the full consolidation method.
3. The fixed assets of the Company are free of charges and encumbrances. A first rate mortgage of €12,600 has been registered in favour of Banca Romaneasca over a property of Eliade Tower S.A. (subsidiary), located at 18 Mircea Eliade Street, sector 1, Bucharest, ROmania. Moreover, a first rate mortgage of €4,000 thousand has been registered in favour of Eurobank EFG Savings Bank a.d. over a property of Reco Real Property A.D. (subsidiary) located at 7-9 Terazije Street, Belgrade, Serbia. A first rate mortgage of €1,859 in favour of Cooperative Bank of Chania over a property of Kalampokis Tours and Cargo S.A. (subsidiary), located at Schimatari, Viiotia (Central Greece).A first rate mortgage of €29.275 in favour of Eurobank EFG Luxemburg over the property of Seferco Development S.A. (subsidiary), located at Dimitrie Pompeiu Bd, Bucharest, Romania.
4. The tax authorities issued final tax assessments for both the Company and ELDEPA during November 2006 for additional income taxes, VAT and penalties totalling €3,320 for the open tax years up to 31.12.2004. The Company's management, based on the advice of its tax lawyers, has disputed additional assessments of income taxes, VAT and penalties totalling €2,874 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. No provisions for the later amounts finally assessed by the tax authorities is necessary since the Management of the Company does not anticipate any significant liabilities to arise. Except from the above, no other legal disputes or court decisions exist.
5. The total number of employees at perid end was 13 (30.06.2007: 8).
6. As of 30 June2008 the company has accounted for a cumulative provision of a) Difference under didpute €0, b) unaudited tax years €0, c) other provisions € 164
7. On 8 January 2008, the Company signed an agreement for the acquisition of the share capital of Kalampokis Tours and Cargo S.A., an investment property company, based on on the fair value of its underlying net assets which have been calculated to €3,917.
8. On June 4 2008, the Company entered an agreement for the purchase of 99,99% of the shares of Romanian joint stock company "Retail Development S.A.", which is the owner of a retail building. The property is located at 113, Tudor Vladimirescu in Iasi, Romania, which is subject to a lease with the well-known company S.C. Praktiker SRL expiring in 2022. The total acquisition cost amounted to €4,375. For further information refer to Note 5 on the nine month review report.
9. On July 31 2008, the Company entered an agreement for the purchase of 99,99% of the shares of Romanian joint stock company "Seferco Development S.A.", which is the owner of a retail building.The property is located on the corner of Dimitrie Pompeiu Bd. and Ing. G. Constantinescu Street, Bucharest,Romania. The total acquisition cost amounted to €21.207. For further information refer to Note 5 on the nine month review report
10. The related party transactions of the Group are as follows: a) Revenues €18,835 b) Expenses €2,582, c) Receivables €200,259 d) Payables €63,600. The related party transactions of the Company are as follows: a) Revenues €18,812 b) Expenses €3,242, c) Receivables €200,011, d) Payables €24,382. The key management personnel transactions, both for the Group and the Company, are the following: a) Transactions and gross salaries 402, b) Receivables €0 and c) Payables €0.

Nea Ionia, 29 October 2008

The Chairman of the BoD	The General Manager	The Chief Financial Officer	The Head of the Accounting Department
Nikolaos A. Bertsos	**George Chrysikos**	**Stylianos Probonas**	**Ilias Papailiopoulos**
I.D. No Π 070963	I.D. No N 161578	I.D. Σ 722634	PERM. NO 18103