Babis Vovos International Construction S.A.

Interim Condensed Financial Information for the nine months ended 30 September 2008 under IAS 34

Index

Balance sheet

Unaudited figures. All amounts in euro thousands

		Consolidated		Company	
	Note	30 September 2008	31 December 2007	30 September 2008	31 December 2007
ASSETS					
Non-current assets					
Investment property	5	1,367,449	1,231,727	933,697	827,569
Property, plant and equipment		10,517	10,620	1,693	1,708
Intangible assets		18,939	18,934	16,510	16,506
Investments		18	18	47,871	47,871
Derivative assets		4,355	-	4,355	-
Other non-current receivables	6	575	558	383	370
		1,401,853	1,261,858	1,004,509	894,024
Current assets					
Inventories		31,195	31,868	33,646	35,085
Trade and other receivables	6	53,222	37,212	80,787	67,866
Derivative assets		3,333	-	3,333	-
Cash and cash equivalents	7	33,765	92,706	31,103	76,429
		121,515	161,786	148,868	179,381
Total assets		**1,523,368**	**1,423,644**	**1,153,376**	**1,073,404**
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital		46,832	46,832	46,832	46,832
Reserves		23,053	23,053	25,244	25,244
Retained earnings		501,180	460,015	299,814	276,912
		571,065	529,900	371,890	348,988
Minority interest		7,382	7,020	-	-
Total equity		**578,448**	**536,920**	**371,890**	**348,988**
LIABILITIES					
Non-current liabilities					
Borrowings	8	537,710	535,096	366,948	423,356
Deferred income tax liabilities	9	121,725	147,558	72,829	91,680
Retirement benefit obligations		2,222	2,246	2,083	2,113
Derivative liabilities	11	45,265	17,145	45,265	17,145
Other non-current liabilities	10	3,879	3,658	2,719	2,571
		710,802	705,703	489,843	536,865
Current liabilities					
Trade and other payables	10	18,583	74,055	90,636	134,159
Income tax		11,492	5,257	4,706	3,015
Borrowings	8	185,583	97,254	178,291	46,373
Dividend payable		456	459	456	459
Provisions for other liabilities & expenses	12	967	867	517	417
Derivative liabilities	11	17,039	3,129	17,039	3,129
		234,119	181,020	291,643	187,551
Total liabilities		**944,920**	**886,723**	**781,487**	**724,416**
Total equity and liabilities		**1,523,368**	**1,423,644**	**1,153,376**	**1,073,404**

The notes on pages 8 to page 31 are an integral part of this consolidated financial information.

Income statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated 01/01/2008 - 30/09/2008	Consolidated 01/01/2007 - 30/09/2007	Company 01/01/2008 - 30/09/2008	Company 01/01/2007 - 30/09/2007
Revenue	13	40,302	84,906	29,334	74,134
Cost of sales		(30,173)	(59,464)	(26,817)	(55,636)
Gross profit		**10,129**	**25,442**	**2,516**	**18,499**
Net gain from fair value adjustment on investment property	5	84,430	-	57,607	-
Selling and marketing costs		(287)	(611)	(287)	(474)
Administrative expenses		(8,719)	(6,129)	(7,910)	(5,006)
Other gains		34	78	39	69
Other expenses		(31)	(598)	(3)	(377)
Operating profit		**85,555**	**18,183**	**51,962**	**12,710**
Gain / (Loss) from investment in subsidiaries		-	-	9,780	(1,507)
Finance revenue		10,720	6,722	10,192	6,417
Finance expenses		(76,924)	(31,555)	(66,746)	(23,121)
Finance expenses (net)		(66,204)	(24,833)	(56,554)	(16,704)
Profit before income tax		**19,351**	**(6,650)**	**5,188**	**(5,501)**
Income tax expense		22,176	(2,149)	17,713	(2,169)
Profit for the period		**41,528**	**(8,799)**	**22,902**	**(7,670)**
Attributable to:					
Equity holders of the Company		41,165	(8,753)	22,902	(7,670)
Minority interest		363	(45)	-	-
		41,528	(8,799)	22,902	(7,670)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	15	**1.21**	**(0.26)**	**0.67**	**(0.23)**

The notes on pages 8 to page 31 are an integral part of this consolidated financial information.

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		01/07/2008 - 30/09/2008	**01/07/2007 - 30/09/2007**	**01/07/2008 - 30/09/2008**	**01/07/2007 - 30/09/2007**
Revenue	13	12,528	18,596	8,838	15,122
Cost of sales		(7,624)	(15,912)	(6,285)	(14,666)
Gross profit		**4,904**	**2,684**	**2,553**	**456**
Net gain from fair value adjustment on investment property	5	(1,191)	-	(1,191)	-
Selling and marketing costs		(62)	(137)	(62)	(18)
Administrative expenses		(2,627)	(1,855)	(2,369)	(1,625)
Other gains		(59)	2	(52)	2
Other expenses		(12)	(153)	(1)	(134)
Operating profit		**953**	**541**	**(1,122)**	**(1,319)**
Gain / (Loss) from investment in subsidiaries		-	-	(555)	(450)
Finance revenue		(1,484)	544	(1,542)	543
Finance expenses		(18,071)	(10,879)	(14,836)	(7,914)
Finance expenses (net)		(19,555)	(10,335)	(16,378)	(7,370)
Profit before income tax		**(18,601)**	**(9,794)**	**(18,055)**	**(9,139)**
Income tax expense		25,314	(559)	22,069	(639)
Profit for the period		**6,713**	**(10,353)**	**4,014**	**(9,778)**
Attributable to:					
Equity holders of the Company		6,568	(10,343)	4,014	(9,778)
Minority interest		145	(11)	-	-
		6,713	(10,353)	4,014	(9,778)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	15	**0.19**	**(0.30)**	**0.12**	**(0.29)**

The notes on pages 8 to page 31 are an integral part of this consolidated financial information.

Statement of changes in equity

Unaudited figures. All amounts in euro thousands

Consolidated statement of changes in equity

	Attributable to equity holders of the Group			Minority interest	Total equity
	Share capital	Other reserves	Retained earnings		
Balance at 1 January 2007	46,832	23,053	467,487	7,306	**544,678**
Profit / (loss) for the period	-	-	(8,753)	(45)	(8,799)
Balance at 30 September 2007	46,832	23,053	458,734	7,260	**535,879**
Profit / (loss) for the period	-	-	1,281	(241)	1,041
Balance at 31 December 2007	46,832	23,053	460,015	7,020	**536,920**
Profit / (loss) for the period	-	-	41,165	363	41,528
Balance at 30 September 2008	46,832	23,053	501,180	7,382	**578,448**

Company Statement of changes in equity

	Attributable to equity holders of the Company			Total equity
	Share capital	Other reserves	Retained earnings	
Balance at 1 January 2007	46,832	25,244	271,609	**343,685**
Profit / (loss) for the period	-	-	(7,670)	(7,670)
Balance at 30 September 2007	46,832	25,244	263,939	**336,015**
Profit / (loss) for the period	-	-	12,974	12,974
Balance at 31 December 2007	46,832	25,244	276,912	**348,988**
Profit / (loss) for the period	-	-	22,902	22,902
Balance at 30 September 2008	46,832	25,244	299,814	**371,890**

The notes on pages 8 to page 31 are an integral part of this consolidated financial information.

Cash flow statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated 01/01/2008 - 30/09/2008	Consolidated 01/01/2007 - 30/09/2007	Company 01/01/2008 - 30/09/2008	Company 01/01/2007 - 30/09/2007
Cash flows from operating activities					
Cash generated from operations	16	(51,414)	23,366	(44,597)	19,391
Interest paid		(36,730)	(25,601)	(27,427)	(19,198)
Income tax paid		(3,519)	(3,322)	(2,648)	(3,242)
Net cash generated from operating activities		**(91,663)**	**(5,556)**	**(74,672)**	**(3,049)**
Cash flows from investing activities					
Additions in investment property (acquisitions & development)	5	(51,292)	(16,594)	(48,520)	(12,704)
Additions in property, plant and equipment & intangible assets		(366)	(278)	(330)	(278)
Interest inflow		2,408	882	1,884	577
Net cash used in investing activities		**(49,250)**	**(15,990)**	**(46,966)**	**(12,404)**
Cash flows from financing activities					
Inflows / (outflows) - derivatives		3,749	4,445	3,749	4,445
Borrowings inflows		165,811	83,800	112,223	83,800
Borrowings payback		(75,005)	(55,433)	(36,788)	(53,901)
Increase / (Decrease) of other short - term financing		(12,580)	2,060	(2,870)	1,525
Dividends paid to the Company's shareholders		(3)	(2,170)	(3)	(2,170)
Net cash used in financing activities		**81,972**	**32,703**	**76,311**	**33,699**
Net increase / (decrease) in cash and cash equivalents		**(58,941)**	**11,157**	**(45,326)**	**18,245**
Cash and cash equivalents at beginning of the period		92,706	71,509	76,429	46,627
Cash and cash equivalents at end of the period	7	**33,765**	**82,666**	**31,103**	**64,872**

The notes on pages 8 to page 31 are an integral part of this consolidated financial information.

Notes on the interim condensed financial information

1 General information

The interim condensed financial information include the financial information of Babis Vovos International Construction S.A ("Company") as well as the consolidated financial information of the Group which includes financial information of the company and its subsidiaries (together "BVIC"or "Group") for the nine months ended 30 September 2008.

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

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

The company website is www.babisvovos.com.

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

The financial information of the Company and the Group for the nine months ended 30 September 2008 has been approved for issue by the Board of Directors on November 27th, 2008.

2 Basis of preparation

This interim financial information for the Company and the Group refers to the nine months ended 30 September 2008. It has been prepared by management in accordance with the International Accounting Standard ("IAS") 34 - Interim Financial Statements.

The interim consolidated financial information for the nine months ended 30 September 2008 was prepared according to the same accounting standards and policies followed for the preparation and presentation of the financial statements for the Company and the Group for the year 2007.

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

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

The interim financial information should be taken into consideration together with the audited consolidated financial statements for the year ended 31 December 2007 which are published to the Company's website.

3 New standards, amendments to standards and interpretations

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

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 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 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.

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. The Group will apply IFRIC 15 from 1 January 2009.

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 Group will apply this amendment from 1 January 2009.

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.
- 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. This amendment is not relevant to the Group.

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". This amendment is not relevant to the Group.

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.

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")

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 Group will apply the IAS 40 (Amendment) from 1 January 2009.

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.

4 Segment Reporting

Primary reporting format – business segments

At September 30th, 2008, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

The segment results for the period ended 30 September 2008 are as follows:

All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	4,716	773	34,812	-	40,302
Operating profit / (loss)	(4,507)	187	98,594	(8,719)	85,555

The segment results for the period ended 30 September 2007 are as follows:

All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	49,960	760	34,136	50	84,906
Operating profit / (loss)	7,880	(13)	16,976	(6,659)	18,183

The segment results for the period from 1 July to 30 September 2008 are as follows:

All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	400	278	11,850	-	12,528
Operating profit / (loss)	31	83	3,524	(2,684)	953

The segment results for the period from 1 July to 30 September 2007 are as follows:

All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	6,941	397	11,208	50	18,596
Operating profit / (loss)	(3,250)	(115)	5,863	(1,957)	541

5 Investment property

Unaudited figures. All amounts in euro thousands

	Consolidated	Company
At beginning of period (01.01.2007)	1,194,706	785,039
Additions in investment property / additions in construction costs	25,159	20,755
Transfer from property, plant and equipment	13,555	13,555
Transfer from inventory	12,018	11,186
Transfer to inventory	(19,100)	(25,087)
Net gain from fair value adjustments on investment property	5,388	22,121
At end of period (31.12.2007)	**1,231,727**	**827,569**
Additions in investment property / additions in construction costs	51,292	48,520
Net gain from fair value adjustments on investment property	84,430	57,607
At end of period (30.09.2008)	**1,367,449**	**933,697**

The fair market value of Investment property was re-measured and adjusted at 30 June 2008 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. Additionally, according to management's view, during the third quarter of 2008, no change has occurred in the market to justify significant differences in the fair value of the Group investment property. The above reasons have driven the Group not to proceed with an updated report of investment property valuation as at 30 September 2008.

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

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007
Rental income from investment property	23,488	22,497	15,607	14,858
Operating expenses arising from investment property	2,965	1,605	1,993	1,035

	Consolidated		Company	
	01/07/2008 - 30/09/2008	**01/07/2007 - 30/09/2007**	**01/07/2008 - 30/09/2008**	**01/07/2007 - 30/09/2007**
Rental income from investment property	7,943	7,334	5,275	4,909
Operating expenses arising from investment property	1,286	366	971	191

Additions to investment property

During the period ended at 30 September 2008, the Group was obliged to purchase back, based on court decision, the fourth floor as well as 23 parking spaces at the second and third basement of the building located at 1-3 Kifissias Avenue and 4 Theofanous street from 'Proton Bank'. 'Proton Bank' has acquired 'Omega Securities S.A.' and the above horizontal ownerships had been sold to the latter. 'Omega Securities S.A.' had appealed for the BVIC Group to be obliged to buy back the above mentioned horizontal ownerships based on a repurchase agreement which was signed in the initial sale contract signed by BVIC Group and 'Omega Securities S.A.'.

During April 2008, the parent company as well as the subsidiary 'Babis Vovos International Construction S.A. & Co GP.' signed a sale and lease back agreement with Ethniki Leasing for the aforementioned horizontal ownerships. The sale and lease back agreement of € 6.5 million signed (53.11% for the parent company and 46.89% for the above subsidiary) comes to its maturity on April 25th, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 2.00%. The fair value of the above horizontal ownerships, which are classified as Investment property, was measured by Colliers International as at 30 June 2008. A net gain from fair value adjustment of the above horizontal ownerships amounting to € 4,019 thousand was recorded in the income statement.

During the period ended at 30 September 2008, the construction of the building located at 340 Syggrou Ave. was completed. The above retail and office building includes above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm as well as 393 parking spaces. The property on which the aforementioned building was constructed had been acquired during 2006 through the acquisition of a company.

On January 4th, 2008, the parent company as well as the subsidiary 'Elfinko S.A.' had signed a joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the above mentioned building located at 340 Syggrou Ave. The agreement concerns 100% of the lettable area, the common area and the parking station. More specifically, it concerns 4,578 sqm of office space, 9,185 sqm of retail space, 2,133 sqm of storage space and 393 parking spaces. The sale and lease back agreement of € 80 million signed (60% for the parent company and 40% for Elfinko S.A.) comes to its maturity on January 3rd, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 1.80%.

The fair value of the aforementioned building was measured by Colliers international as at 30.06.2008. A net gain from fair value adjustment amounting to € 83,911 thousand was recorded in the income statement leading to an increase of the NAV per share before deferred tax by € 2.5.

During the period ended at 30 September 2007, no gain from fair value adjustment on investment property had been recorded.

Investment property under construction

Sounio

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

Poros - Galatas

The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-completed semi-detached residential units intended for tourist use. The completion of the aforementioned residential units has progressed significantly. Currently, the wall and exterior works have been completed and the development is currently at the level of completing internal works. The completion of the hotel complex including the improvement of the existing hotel unit into a class A' hotel is expected by the first quarter of 2009. The fair market value of the land plots and the hotel unit as well as the construction costs as per 30 September 2008 are included in Investment property under construction.

Votanikos

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

During the first quarter of 2007, the demolition permit concerning the existing buildings was issued. The demolition has started during April 2007 and is already completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit concerning part of the underground parking area has been issued and the relative works are at the completion stage. Following the approval of the Environmental Impact Report dated August 29th, 2008, the building permit for the total development of the shopping mall including 80,000 sqm under the ground area as well as 70,000 sqm of above the ground area has been issued. Reinforced concrete works are currently carried out (already reached at the second floor), as well as various works for the completion of the basement area. The development is planned for completion during the fourth quarter of 2009, during which, the shopping mall will be delivered as 'cold shell' to the tenants. Following the delivery, interior works of the retail shops will be carried out with the intention of being fully operative by the end of the first quarter of 2010.

At 30 September 2008, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 952,088 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 457,003 thousand. (For 31.12.2007: buildings valued at € 803,978 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 363,637 thousand).

6 Trade and other receivables

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
Trade receivables	6,968	5,221	4,304	2,619
Less: provision for impairment of trade receivables	(1,475)	(1,475)	(424)	(424)
Net trade receivables	5,493	3,746	3,879	2,194
Prepaid expenses	8,694	6,712	5,855	5,104
Receivables from subsidiaries (Note 18)	-	-	44,335	42,972
Receivables from other related parties (Note 18)	14,457	12,309	6,280	6,305
Advances	5,585	558	5,010	370
Other debtors	25,293	18,852	19,928	14,473
Less: provision for impairment of other receivables	(5,725)	(4,407)	(4,500)	(3,182)
	48,304	34,024	76,908	66,042
	53,797	37,770	80,787	68,236
Less non-current assets: advances	(575)	(558)	-	(370)
Current assets	53,222	37,212	80,787	67,866

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

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

During the period ended 30 September 2008, an impairment loss for trade and other receivables amounting to € 1,318 thousand (30 September 2008: -) was recognised for the Group and the Company.

The Group and the Company have no trade and other receivables in foreign currency at 30 September 2008 and 31 December 2007.

Advances include an amount of € 5,000 thousand paid to Credit Suisse according to the provisions of the signed interest rate swap agreement. This amount will be returned to the company on April 2009 according to the provisions of the aforementioned swap agreement bearing interest calculated with a set interest rate of 4.34%.

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

The Group and the company hold guarantees - collaterals as security for trade receivables (more specifically, receivables from lessees). These guarantees are included in other non-current liabilities (see Trade and other payables) and are usually equal to two monthly leases. At 30 September 2008, the lease guarantees are amounting to € 3,879 thousand (31 December 2007: € 3,658 thousand) for the Group and € 2,719 thousand (31 December 2007: 2,571 thousand) for the company (Note 10).

At 30 September 2008, the maximum exposure of the Group and the company to credit risk is the fair value of trade and other receivables mentioned above, which approximates their accounting value, less the value of lease guarantees mentioned above.

Other receivables do not include impaired assets unless differently stated.

7 Cash and cash equivalents

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	30 September 2008	**31 December 2007**	**30 September 2008**	**31 December 2007**
Cash on hand	66	58	39	32
Site deposits	33,599	66,137	30,978	64,897
Committed deposit accounts	101	26,511	86	11,500
Cash and cash equivalents	33,765	92,706	31,103	76,429

8 Borrowings

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	30 September 2008	**31 December 2007**	**30 September 2008**	**31 December 2007**
Non - current				
Bank Borrowings	54,444	134,925	42,244	134,925
Finance lease liabilities	483,266	400,172	324,703	288,431
	537,710	535,096	366,948	423,356
Current				
Bank Borrowings	161,684	82,921	161,141	34,441
Finance lease liabilities	23,899	14,333	17,150	11,932
	185,583	97,254	178,291	46,373
Total borrowings	**723,293**	**632,350**	**545,239**	**469,728**

All the Group's borrowings are at floating rates of interest. The fair value of both the long-term and short-term borrowings at 30 September 2008 approximated their carrying values. All the Group's borrowings are in euro.

For securing borrowings, guarantees have been provided over:

- the investment property amounting to € 265,828 thousand (31 December 2007: € 273,828 thousand) for the Group and € 185,406 thousand (31 December 2007: € 185,406 thousand) for the company.
- the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 12,745 thousand (31 December 2007: 12,745 thousand) for the Group and the company.
- the inventories amounting to € 23,578 thousand (31 December 2007: 23,578 thousand) for the Group and the company have been provided.

9 Deferred income tax

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

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	30 September 2008	**31 December 2007**	**30 September 2008**	**31 December 2007**
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	121,725	147,558	72,829	91,680
	121,725	147,558	72,829	91,680

The total movement in deferred income tax is presented below:

Unaudited figures. All amounts in euro thousands

	Consolidated	**Company**
Balance at 1 January 2007	153,951	95,358
Debit / (credit) in the income statement	(6,393)	(3,679)
Balance at 31 December 2007	147,558	91,680
Debit / (credit) in the income statement	(25,832)	(18,851)
Balance at 30 September 2008	121,725	72,829

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

Unaudited figures. All amounts in euro thousands

Consolidated

Deferred Tax Liabilities	Investment property to fair value	Derivatives	**Total**
Balance 01.01.2007	**203,141**	**-**	**203,141**
Debit / (credit) in the income statement	2,077	-	2,077
Balance 31.12.2007	**205,218**	**-**	**205,218**
Debit / (credit) in the income statement	(15,185)	1,855	(13,329)
Balance 30.09.2008	**190,033**	**1,855**	**191,888**

Consolidated

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2007	**(43,654)**	**(356)**	**(444)**	**(1,924)**	**(2,812)**	**(49,190)**
Debit / (credit) in the income statement	(9,385)	6	(114)	511	512	(8,470)
Balance 31.12.2007	**(53,039)**	**(350)**	**(558)**	**(1,413)**	**(2,300)**	**(57,660)**
Debit / (credit) in the income statement	(4,357)		114	(7,743)	(517)	(12,503)
Reclassification into other category	(342)	342	-	-	-	-
Balance 30.09.2008	**(57,738)**	**(8)**	**(444)**	**(9,156)**	**(2,817)**	**(70,163)**

Company

Deferred Tax Liabilities	Investment property to fair value	Derivatives	**Total**
Balance 01.01.2007	**138,015**	**-**	**138,015**
Debit / (credit) in the income statement	5,531	-	5,531
Balance 31.12.2007	**143,546**	**-**	**143,546**
Debit / (credit) in the income statement	(16,717)	1,855	(14,861)
Balance 30.09.2008	**126,829**	**1,855**	**128,685**

Company

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2007	**(39,372)**	**5**	**(404)**	**(1,924)**	**(960)**	**(42,656)**
Debit / (credit) in the income statement	(9,802)	6	(124)	511	198	(9,210)
Balance 31.12.2007	**(49,174)**	**11**	**(528)**	**(1,413)**	**(762)**	**(51,866)**
Debit / (credit) in the income statement	4,352		112	(7,743)	(710)	(3,990)
Reclassification into other category	19	(19)	-	-	-	-
Balance 30.09.2008	**(44,803)**	**(8)**	**(417)**	**(9,156)**	**(1,472)**	**(55,856)**

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

During September 2008, tax legislation changes were announced and enacted referring to the corporate income tax rates. Corporate income tax rates will gradually decrease and are summarised as follows:

2008 & 2009	:	25%
2010	:	24%
2011	:	23%
2012	:	22%
2013	:	21%
2014 and thereafter	:	20%

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

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

Unaudited figures. All amounts in euro thousands

	Consolidated	**Company**
Deferred tax expense / (income) resulting from changes in tax rates	(24,235)	(21,017)
Deferred tax expense / (income) due to origination and reversal of temporary differences	(1,597)	2,166
Deferred tax expense / (income) for the period	(25,832)	(18,851)

10 Trade and other payables

Unaudited figures. All amounts in euro thousands

	Consolidated		**Company**	
	30 September 2008	**31 December 2007**	**30 September 2008**	**31 December 2007**
Trade Payables	10,985	10,141	10,416	7,976
Amounts due to subsidiaries (Note 18)	-	-	47,766	39,144
Amounts due to other related parties (Note 18)	491	12,582	486	2,870
Social security and other taxes	1,170	1,602	1,140	1,532
Customer advances	1,023	39,590	700	39,347
Accrued expenses	4,773	9,049	29,992	42,208
Unearned and deferred income	91	908	91	908
Lease Guarantees	3,879	3,658	2,719	2,571
Other creditors	49	184	45	175
Trade and other Payables	22,462	77,713	93,355	136,731
Less long-term liabilities: lease guarantees	(3,879)	(3,658)	(2,719)	(2,571)
Short-term liabilities	18,583	74,055	90,636	134,159

Group and company trade and other payables are interest free.

11 Derivatives

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
Interest rate swaps held for trading	**30 September 2008**	**31 December 2007**	**30 September 2008**	**31 December 2007**
Non-current assets	4,355	-	4,355	-
Current assets	3,333	-	3,333	-
Non-current liabilities	45,265	17,145	45,265	17,145
Current liabilities	17,039	3,129	17,039	3,129

At 30 September 2008, the Group, aiming at low financial cost in the long term, has signed six interest rate swap agreements.

- Interest rate swap agreement with Lehman Brothers International. According to its provisions, the Company received a prepayment of € 7,000 thousand which actually is the interest calculated on a notional principal of € 70,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 11th 2009. These instalments are calculated as interest on the notional principal with a floating interest rate which varies according to the variations of the index Macro Quantitative Currency Strategies (MarQCuS Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. At 30 June 2008, the fair value of this interest rate swap was € 10,134 thousand (31 December 2007: -). Due to the liquidation process of the above bank, there is no formal update of the aforementioned agreement's fair value as of 30 September 2008. A finance expense of € 3,134 thousand was recognised in the income statement. This swap agreement remains booked at BVIC accounts at the fair value as of 30.06.2008. Management expects this agreement to have been cleared before the year end.

- Interest rate swap agreement with Credit Suisse. The agreement refers to interest rate swap for BVIC Group sale and lease back agreements with leasing companies. At 30.09.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (30.09.2008: 1.75%). The fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. Starting from July 30th, 2009 up to December 30th, 2019 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. The above described negative effect will refer to the calendar days that the conditions do not stand for the period mentioned above. At 30 September 2008, the fair value of this interest rate swap was € 30,614 thousand (31 December 2007: € 4,661 thousand). A finance expense of € 25,953 thousand was recognised in the income statement. The variation of the fair value stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months which affect the expectations in the short term.

- Interest rate swap agreements with Deutsche Bank. During March 2008, the company proceeded to revisions and variations of the interest rate swap agreements with Deutsche Bank. Due to the positive development of the indices and the interest rate curves on which the swap agreements are based, the company management decided to 'lock' part of the benefit from these transactions. More analytically, the company altered the swap agreements the development of which was dependent on the difference between the 10year and the 2year US dollar swap rate. The position concerning the agreement based on variation of the index Forward Rate Bias US Dollar (DBFRUU Index) from time 0 which is the signature date was also closed.

Starting from March 2008, the provisions of the interest rate swap agreements in effect are as follows:

As far as the interest rate swap agreements for notional principal amounting to € 38,000 thousand and € 20,000 thousand are concerned, the company has already paid three instalments (January, July 2007 and January 2008) calculated as interest on the notional principal with an interest rate of 2%. Starting from January 2009, the Company has the obligation to pay 4 yearly instalments and 1 monthly instalment which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date.

As far as the interest rate swap agreement for notional principal amounting to € 100,000 thousand is concerned, there was a new agreement signed to overlay the initial one (exactly reversed provisions for the counterparties – BVIC and Deutsche Bank) so that the net effect for the Group to be zero. This overlay agreement is indicated under Derivatives assets in the Balance sheet. At the same time there was a third swap agreement signed which practically replaces the initial one but acts as its revision modifying the provisions on effect. More specifically, the Company has already paid the first instalment calculated as interest on the notional principal with an interest rate of 1.95% based on the provisions of the initial swap agreement. Starting from March 2008, the initial notional principal amounting to € 100,000 thousand was divided in two parts. For a notional principal of € 21,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date. For the remaining notional principal of € 79,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the average variation of the index EUR DB Balanced Harvest Index (DBHVBEUI Index) from time 0 which is the signature date

All the above indices' level is announced daily at Bloomberg website. According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero. Additionally, there is a strong possibility that the company will eventually pay back an amount lower than the one received as interest calculated on a notional principal of the agreements since the minimum coupon is defined at zero.

At 30 September 2008, the net fair value of all the interest rate swap agreements with Deutsche Bank amounted to € 13,868 thousand (31 December 2007: € 15,613 thousand). A finance expense of € 8,487 thousand as well as a finance revenue of € 7,688 thousand were recognised in the income statement.

12 Provisions

Unaudited figures. All amounts in euro thousands

	Consolidated	Company
At beginning of period (01.01.2007)	**937**	**437**
Reversal of provision for litigation and claims	(20)	(20)
Use of provision for litigation and claims	(50)	-
At end of period (31.12.2007)	**867**	**417**
New provision for litigation and claims	100	100
At end of period (30.09.2008)	**967**	**517**

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

During the period ended 30 September 2008, a provision for litigation and claim against the parent company of the Group amounting to € 100 thousand (2007: -) was formed and credited at administrative expenses.

13 Revenue

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 30/09/2008	**01/01/2007 - 30/09/2007**	**01/01/2008 - 30/09/2008**	**01/01/2007 - 30/09/2007**
Rental income	34,812	34,136	23,841	23,428
Sale of property	4,716	49,960	4,716	49,960
Contruction work	773	760	773	690
Other	-	50	3	56
	40,302	84,906	29,334	74,134

	Consolidated		Company	
	01/07/2008 - 30/09/2008	**01/07/2007 - 30/09/2007**	**01/07/2008 - 30/09/2008**	**01/07/2007 - 30/09/2007**
Rental income	11,850	11,208	8,160	7,804
Sale of property	400	6,941	400	6,941
Contruction work	278	397	278	326
Other	-	50	1	50
	12,528	18,596	8,838	15,122

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

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

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

14 Operating profit

The amounts below have been recorded in the operating profit during the period ended 30 September 2008:

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 30/09/2008	**01/01/2007 - 30/09/2007**	**01/01/2008 - 30/09/2008**	**01/01/2007 - 30/09/2007**
Provision for doubtfoul debt	1,318	-	1,318	-
Provision for inventory impairment	2,500	-	2,500	-
Provision for litigation and claims	100	(20)	100	(20)
	3,918	(20)	3,918	(20)

For the periods from 1 July to 30 September 2008 and 2007, there was no variation.

15 Earnings per share

Unaudited figures. All amounts in euro thousands

	Consolidated		**Company**	
	01/01/2008 - 30/09/2008	**01/01/2007 - 30/09/2007**	**01/01/2008 - 30/09/2008**	**01/01/2007 - 30/09/2007**
Net profit attributable to shareholders	41,165	(8,753)	22,902	(7,670)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	1.21	(0.26)	0.67	(0.23)

	Consolidated		**Company**	
	01/07/2008 - 30/09/2008	**01/07/2007 - 30/09/2007**	**01/07/2008 - 30/09/2008**	**01/07/2007 - 30/09/2007**
Net profit attributable to shareholders	6,568	(10,343)	4,014	(9,778)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	0.19	(0.30)	0.12	(0.29)

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

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

16 Cash generated from operations

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007
Profit before income tax	19,351	(6,650)	5,188	(5,501)
Adjustments for:				
– depreciation and amortisation	406	411	281	297
– net gain from fair value adjustment on investment property	(84,430)	-	(57,607)	-
– Provision for inventory impairment	1,683	(1,240)	1,683	(1,240)
– Increase in retirement provision	(24)	172	(30)	122
– Increase in provision for doubtfoul debt	1,318	-	1,318	-
– Increase in other provisions	100	552	100	312
– interest expense	38,024	30,152	27,847	21,718
– interest revenue	(2,412)	(882)	(1,884)	(577)
– (income) / loss from derivatives	30,592	(4,436)	30,592	(4,436)
– dividend (income) / loss	-	-	(9,780)	1,507
Changes in working capital:				
– trade and other receivables	(18,094)	2,792	(14,812)	(1,427)
– inventories	(952)	9,554	(185)	9,348
– payables	(36,977)	(7,058)	(27,308)	(731)
Cash generated from operations	(51,414)	23,366	(44,597)	19,391

17 Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the company have given guarantees in the ordinary course of business amounting to € 7,339 thousand (31 December 2007: 49,435 thousand) and € 3,748 thousand (31 December 2007: € 45,737 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 30 September 2008, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 4,010 thousand (31 December 2007: € 3,602 thousand) for which a provision of € 967 thousand (31 December 2007: € 867 thousand) for the Group and € 517 thousand (31 December 2007: € 417 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 30 September 2008, there were pending court decisions for the cancellation of building permits as far as two buildings are concerned. However, no liability is expected to incur. At 30 September 2008, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 10,519 thousand (31 December 2007: € 1,881 thousand).

The companies included in the consolidation have been tax audited as follows : the parent company 'Babis Vovos International Construction S.A.' up to the fiscal year 2006, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2006, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2002, ‘Doma S.A.' up to the fiscal year 1998, 'International Palace Hotel S.A.' up to the fiscal year 2002, 'Alteco S.A.' up to the fiscal year 1998 and 'Elfinko S.A.' up to the fiscal year 2004. A provision which the burdened previous fiscal years’ results, has been formed and there is no expectation that any significant additional liability will incur.

On February 2008, the tax audit for the parent company ‘Babis Vovos International Construction S.A.’ concerning the fiscal years 2004, 2005 and 2006 was finalised. The tax audit resulted in tax audit differences amounting to € 4,607 thousand. Due to the respective provisions which had burdened the previous fiscal years’ company results, an amount of € 1,669 thousand burdened the income statement of 2007.

On June 2008, the tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was completed. The tax audit resulted in tax audit differences amounting to € 5,963 thousand of which, until today, € 4,907 thousand have not been finalised. Due to the respective provisions which had burdened the previous fiscal years’ company results, an amount of € 2,520 thousand burdened the income statement of the period ended 30 September 2008.

18 Related-party transactions

At 30 September 2008, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007	01/01/2008 - 30/09/2008	01/01/2007 - 30/09/2007
Sales of goods and services				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	1	6
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	3	-
Key management personnel	-	558	-	558
	-	558	3	564
Sales of services				
Innovative Buildings S.A	2	2	-	-
Promise Cafe Ltd.	59	7	-	-
The Greek Coffee Company S.A.	157	80	-	-
	219	89	-	-
Purchases of goods and services				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	19	124
	-	-	19	124
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	89	90
Services of key management personnel	1,064	774	1,064	631
	1,064	774	1,154	721
Key management compensation				
Salaries and other short term employee benefits	1,112	917	1,112	917

Year-end balances arising from sales/purchases of goods/services	**Consolidated** 30 September 2008	31 December 2007	**Company** 30 September 2008	31 December 2007
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	43,594	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	740	956
Innovative Buildings S.A	2,152	1	-	1
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	11,024	4,886	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	310	128	289	128
Key management personnel	562	598	562	598
	14,457	12,309	50,615	49,277
Payables to related parties				
Doma S.A	-	-	8,607	8,626
International Palace Hotel S.A	-	-	3,842	3,850
Alteco S.A	-	-	10,140	10,270
Elfinko S.A.	-	-	25,177	16,398
The Greek Coffee Company S.A.	5	1	-	-
Key management personnel	486	12,580	486	2,870
	491	12,582	48,251	42,014

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

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

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

19 Number of employees

The number of employees for the Group and the Company as at 30 September 2008 is as follows:

	Consolidated 30 September 2008	30 September 2007	**Company** 30 September 2008	30 September 2007
Number of employees	528	513	513	469

20 Events after the balance sheet date

1. Definite Tax Settlement for the subsidiary company 'Ergoliptiki – Ktimatiki - Touristiki S.A.'

On November 2008, a definite tax settlement of the fiscal years 2003, 2004, 2005 and 2006 for the subsidiary company 'Ergoliptiki – Ktimatiki - Touristiki S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 4.8 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and will not further burden the income statement of 2008.