



Babis Vovos International Construction S.A.

Interim Condensed Financial Statements for the
three months ended 31 March 2008 under IAS 34

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Balance sheet

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
ASSETS					
Non-current assets					
Investment property	5	1,257,346	1,231,727	847,891	827,569
Property, plant and equipment		10,535	10,620	1,651	1,708
Intangible assets		18,955	18,934	16,527	16,506
Investments		18	18	47,871	47,871
Other non-current receivables	6	555	558	367	370
		<u>1,287,410</u>	<u>1,261,858</u>	<u>914,307</u>	<u>894,024</u>
Current assets					
Inventories		35,571	31,868	38,420	35,085
Trade and other receivables	6	43,376	37,212	78,804	67,866
Cash and cash equivalents	7	40,459	92,706	14,464	76,429
		<u>119,406</u>	<u>161,786</u>	<u>131,688</u>	<u>179,381</u>
Total assets		<u>1,406,816</u>	<u>1,423,644</u>	<u>1,045,995</u>	<u>1,073,404</u>
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		453,763	460,015	278,874	276,912
		<u>523,648</u>	<u>529,900</u>	<u>350,950</u>	<u>348,988</u>
Minority interest		7,040	7,020	-	-
Total equity		<u>530,688</u>	<u>536,920</u>	<u>350,950</u>	<u>348,988</u>
LIABILITIES					
Non-current liabilities					
Borrowings	8	585,016	535,096	439,543	423,356
Deferred income tax liabilities	9	136,118	147,558	86,417	91,680
Retirement benefit obligations		2,100	2,246	1,965	2,113
Derivative liabilities	11	33,492	17,145	33,492	17,145
Other non-current liabilities	10	3,688	3,658	2,569	2,571
		<u>760,415</u>	<u>705,703</u>	<u>563,986</u>	<u>536,865</u>
Current liabilities					
Trade and other payables	10	25,185	74,055	75,562	134,159
Income tax		4,373	5,257	2,132	3,015
Borrowings	8	79,257	97,254	46,919	46,373
Dividend payable		456	459	456	459
Provisions for other liabilities & expenses		867	867	417	417
Derivative liabilities	11	5,575	3,129	5,575	3,129
		<u>115,713</u>	<u>181,020</u>	<u>131,060</u>	<u>187,551</u>
Total liabilities		<u>876,128</u>	<u>886,723</u>	<u>695,046</u>	<u>724,416</u>
Total equity and liabilities		<u>1,406,816</u>	<u>1,423,644</u>	<u>1,045,995</u>	<u>1,073,404</u>

The notes on pages 7 to page 23 are an integral part of these consolidated financial statements.

Income statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007
Revenue	12	14,529	14,997	10,875	11,623
Cost of sales		(10,116)	(8,806)	(9,166)	(7,359)
Gross profit		4,414	6,191	1,709	4,264
Net gain from fair value adjustment on investment property	5	5,401	-	2,865	-
Selling and marketing costs		(171)	(57)	(171)	(39)
Administrative expenses		(2,046)	(1,390)	(1,930)	(1,296)
Other gains		152	75	151	65
Other expenses		(15)	(228)	(1)	(49)
Operating profit		7,735	4,592	2,622	2,946
Gain / (Loss) from investment in subsidiaries		-	-	16,485	(1,342)
Finance revenue		1,467	672	1,462	542
Finance expenses		(26,873)	(9,816)	(23,871)	(7,180)
Finance expenses (net)		(25,406)	(9,144)	(22,409)	(6,638)
Profit before income tax		(17,671)	(4,552)	(3,301)	(5,035)
Income tax expense		11,439	(626)	5,263	(488)
Profit for the period		(6,232)	(5,178)	1,961	(5,522)
Attributable to:					
Equity holders of the Company		(6,252)	(5,165)	1,961	(5,522)
Minority interest		20	(12)	-	-
		(6,232)	(5,178)	1,961	(5,522)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
	13	(0.18)	(0.15)	0.06	(0.16)

The notes on pages 7 to page 23 are an integral part of these consolidated financial statements.

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	-	-	(5,165)	(12)	(5,178)
Balance at 31 March 2007	46,832	23,053	462,322	7,293	539,500
Profit / (loss) for the period	-	-	(2,307)	(274)	(2,580)
Balance at 31 December 2007	46,832	23,053	460,015	7,020	536,920
Profit / (loss) for the period	-	-	(6,252)	20	(6,232)
Balance at 31 March 2008	46,832	23,053	453,763	7,040	530,688

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	-	-	(5,522)	(5,522)
Balance at 31 March 2007	46,832	25,244	266,086	338,162
Profit / (loss) for the period	-	-	10,826	10,826
Balance at 31 December 2007	46,832	25,244	276,912	348,988
Profit / (loss) for the period	-	-	1,961	1,961
Balance at 31 March 2008	46,832	25,244	278,874	350,950

The notes on pages 7 to page 23 are an integral part of these consolidated financial statements.

Cash flow statement

Unaudited figures. All amounts in euro thousands

	Note	Consolidated		Company	
		01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007
Cash flows from operating activities					
Cash generated from operations	14	(43,599)	(3,899)	(52,722)	(973)
Interest paid		(12,864)	(7,716)	(10,810)	(5,806)
Income tax paid		(883)	(1,172)	(883)	(1,082)
Net cash generated from operating activities		(57,345)	(12,787)	(64,416)	(7,861)
Cash flows from investing activities					
Additions in investment property (acquisitions & development)	5	(20,218)	(2,287)	(17,458)	(1,121)
Proceeds from sale of investment property		-	-	-	-
Additions in property, plant and equipment & intangible assets		(85)	(58)	(72)	(57)
Interest inflow		221	319	220	190
Net cash used in investing activities		(20,081)	(2,025)	(17,309)	(988)
Cash flows from financing activities					
Inflows / (outflows) - derivatives		4,998	4,308	4,998	4,308
Borrowings inflows		63,087	15,000	27,491	15,000
Borrowings payback		(30,752)	(34,686)	(9,866)	(33,892)
Increase / (Decrease) of other short - term financing		(12,151)	1,881	(2,861)	1,296
Dividends paid to the Company's shareholders		(3)	(0)	(3)	(0)
Net cash used in financing activities		25,180	(13,497)	19,759	(13,289)
Net increase / (decrease) in cash and cash equivalents					
		(52,247)	(28,309)	(61,966)	(22,138)
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	40,459	43,201	14,464	24,489

The notes on pages 7 to page 23 are an integral part of these consolidated financial statements.

1 General information

The interim condensed financial statements include the financial statements of Babis Vovos International Construction S.A (“Company”) as well as the consolidated financial statements of the Group which include financial statements of the company and its subsidiaries (together “BVIC” or “Group”) for the three months ended 31 March 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. Psychico 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 statements of the Company and the Group for the three months ended 31 March 2008 have been approved for issue by the Board of Directors on May 29th, 2008.

2 Basis of preparation

These interim financial statements for the Company and the Group refer to the three months ended 31 March 2008. They have been prepared by management in accordance with the International Accounting Standard (“IAS”) 34 - Interim Financial Statements.

The interim consolidated financial statements for the three months ended 31 March 2008 were 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 statements 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

No new standards have been issued that are mandatory for the current financial year end.

Interpretations effective for year ended 31 December 2008

IFRIC 11 - IFRS 2: Group and Treasury share transactions

This interpretation is effective for annual periods beginning on or after 1 March 2007 and 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

This interpretation is effective for annual periods beginning on or after 1 January 2008 and 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

This interpretation is effective for annual periods beginning on or after 1 January 2008 and 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

IFRS 8 - Operating Segments

This standard is effective for annual periods beginning on or after 1 January 2009 and 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.

Amendments to IAS 23 – Borrowing Costs

This standard is effective for annual periods beginning on or after 1 January 2009 and 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.

Amendments to IAS 1 'Presentation of Financial Statements'

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements and is effective for annual periods beginning on or after 1 January 2009. 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.

Amendments to IFRS 2 ‘Share Based Payment’ – Vesting Conditions and Cancellations

The amendment, effective for annual periods beginning on or after 1 January 2009, 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.

Revisions to IFRS 3 ‘Business Combinations’ and IAS 27 ‘Consolidated and Separate Financial Statements’

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements is 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.

Amendments to IAS 32 and IAS 1 Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. Both amendments are effective for annual periods beginning on or after 1 January 2009. The Group does not expect these amendments to impact the financial statements of the Group.

Interpretations effective after year ended 31 December 2008

IFRIC 13 - Customer loyalty programmes

This interpretation is effective for annual periods beginning on or after 1 July 2008 and 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.

4 Segment Reporting

Primary reporting format – business segments

At 31st, March 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 31 March 2008 are as follows:

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	2,387	285	11,857	-	14,529
Operating profit / (loss)	(1,135)	72	10,709	(1,911)	7,735
Finance expense (net)	-	-	-	-	(25,406)
Profit / (loss) before income tax	(1,135)	72	10,709	(1,911)	(17,671)
Income tax expense	-	-	-	-	11,439
Profit / (loss) for the year	(1,135)	72	10,709	(1,911)	(6,232)

The segment results for the period ended 31 March 2007 are as follows:

Unaudited figures. All amounts in euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	3,409	185	11,403	-	14,997
Operating profit / (loss)	542	57	5,610	(1,617)	4,592
Finance expense (net)	-	-	-	-	(9,144)
Profit / (loss) before income tax	542	57	5,610	(1,617)	(4,552)
Income tax expense	-	-	-	-	(626)
Profit / (loss) for the period	542	57	5,610	(1,617)	(5,178)

Various segment items of significance included in the income statement are presented below:

Unaudited figures. All amounts in euro thousands

	Period ended 31 March 2008				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	-	-	(4,935)	-	(4,935)
Net gain from fair value adjustment on investment property (Note 5)	-	-	5,401	-	5,401
Provisions	-	-	-	146	146
Depreciation of property, plant and equipment	(10)	-	(86)	(28)	(124)
Amortisation of intangible assets	-	-	-	(11)	(11)
	Period ended 31 March 2007				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	-	-	(4,280)	-	(4,280)
Provisions	-	-	-	28	28
Depreciation of property, plant and equipment	(3)	-	(87)	(24)	(114)
Amortisation of intangible assets	-	-	-	(12)	(12)
Decrease of provision for impairment of inventory	305	-	-	-	305

There are no inter-segment transfers or transactions. Unallocated costs represent corporate expenses.

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)	<u>1,231,727</u>	<u>827,569</u>
Additions in investment property / additions in construction costs	20,218	17,458
Net gain from fair value adjustments on investment property	5,401	2,865
At end of period (31.03.2008)	<u>1,257,346</u>	<u>847,891</u>

The fair market value of Investment property was re-measured and adjusted at 31 December 2007 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. The Build Operate Transfer of building complex Ethnikis Antistaseos was re-measured by the Company management only as far as the part referring to the sale and leaseback agreement. For the valuation performed the same assumptions were taken into consideration. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. Additionally, during the period ended 31 March 2008, according to management's view, no change has occurred in the market to justify significant differences in the fair value of the Group investment property. The above reasons have driven the Group not to proceed with an updated report of investment property valuation as at 31 March 2008.

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

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	<u>01/01/2008 - 31/03/2008</u>	<u>01/01/2007 - 31/03/2007</u>	<u>01/01/2008 - 31/03/2008</u>	<u>01/01/2007 - 31/03/2007</u>
Rental income from investment property	7,897	7,363	5,283	5,124
Operating expenses arising from investment property	693	874	432	587

Additions to investment property

During the period ended at 31 March 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.'.

Company management decided to retain the above horizontal ownerships and they were classified under investment property. Their fair value was measured by Company management based on current prices in an active market and discounted cash flow projections. The valuation was also based on valuations performed by Colliers International for similar ownerships of BVIC Group located at the same building. A net gain from fair value adjustment of the above horizontal ownerships amounting to € 5,401 thousand was recorded in the income statement.

Excluding the above investment property purchase, no change has occurred to the Group's investment property portfolio other than cost additions concerning the investment property under construction.

During the period ended at 31 March 2008, no investment property under construction was completed (for the Investment property under construction see below).

During the period ended at 31 March 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, 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.

340 Syggrou Avenue

The Group is developing at a fast pace the retail and office building with above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm and 393 parking spaces located at 340 Syggrou Avenue. The property on which the aforementioned building is being constructed had been acquired during 2006 through the acquisition of a company and it is included in investment property. The development has a substantial progress and the construction of the above ground surface and the exterior works have been already completed. During the second quarter of 2008, the internal works have already started.

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 started. Currently, the wall and exterior works have been completed and the internal works have already started.. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 March 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.

The respective building permit for the shopping mall with 70,000 sqm of gross lettable area is expected to be issued during the first half of 2008.

At 31 March 2008, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 853,912 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 426,042 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 € 366,707 thousand).

6 Trade and other receivables

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Trade receivables	8,145	5,221	5,509	2,619
Less: provision for impairment of trade receivables	(1,475)	(1,475)	(424)	(424)
Net trade receivables	6,670	3,746	5,084	2,194
Prepaid expenses	8,822	6,712	6,011	5,104
Receivables from subsidiaries (Note 16)	-	-	49,689	42,972
Receivables from other related parties (Note 16)	12,297	12,309	6,292	6,305
Advances	555	558	367	370
Other debtors	19,994	18,852	14,911	14,473
Less: provision for impairment of other receivables	(4,407)	(4,407)	(3,182)	(3,182)
	37,261	34,024	74,087	66,042
	43,932	37,770	79,172	68,236
Less non-current assets: advances	(555)	(558)	(367)	(370)
Current assets	43,376	37,212	78,804	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 31 March 2008, no impairment loss for trade accounts receivable was recognised for the Group and the Company.

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

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

The Group and the company hold guarantees - collaterals as security for trade receivables (more specifically, receivables from lessees). These guarantees are included in other non-current liabilities (see Trade and other payables) and are usually equal to two monthly leases. At 31 March 2008, the lease guarantees are amounting to € 3,688 thousand (31 December 2007: € 3,658 thousand) for the Group and € 2,569 thousand (31 December 2007: 2,571 thousand) for the company (Note 10).

At 31 December 2007, the maximum exposure of the Group and the company to credit risk is the fair value of trade and other receivables mentioned above, which approximates their accounting value, less the value of lease guarantees mentioned above.

Other receivables do not include impaired assets unless differently stated.

7 Cash and cash equivalents

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Cash on hand	70	58	37	32
Site deposits	17,888	66,137	7,770	64,897
Committed deposit accounts	22,501	26,511	6,657	11,500
Cash and cash equivalents	<u>40,459</u>	<u>92,706</u>	<u>14,464</u>	<u>76,429</u>

8 Borrowings

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Non - current				
Bank Borrowings	127,146	134,925	127,146	134,925
Finance lease liabilities	457,870	400,172	312,397	288,431
	<u>585,016</u>	<u>535,096</u>	<u>439,543</u>	<u>423,356</u>
Current				
Bank Borrowings	63,159	82,921	34,199	34,441
Finance lease liabilities	16,098	14,333	12,719	11,932
	<u>79,257</u>	<u>97,254</u>	<u>46,919</u>	<u>46,373</u>
Total borrowings	<u>664,273</u>	<u>632,350</u>	<u>486,461</u>	<u>469,728</u>

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 31 March 2008 was 6.90% (31 December 2007: 7.07%) for bank borrowings. Due to the interest rate swap on effect which

relates to approximately 42% of the above finance lease liabilities (see Derivatives), the rate for calculating the interest payable for these liabilities as at 31 March 2008 is 5.83% up to the maturity and repayment of the respective agreements. For the remaining finance lease liabilities, which are not included in the aforementioned interest rate swap agreement, the average weighted interest rate as at 31 March 2008 was 6.85% (31 December 2007: 6.97%).

The fair value of both the long-term and short-term borrowings at 31 March 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 € 277,828 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 € 2,028 thousand (31 December 2007: 2,028 thousand) for the Group and the company have been provided.

9 Deferred income tax

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

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	136,118	147,558	86,417	91,680
	<u>136,118</u>	<u>147,558</u>	<u>86,417</u>	<u>91,680</u>

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	<u>147,558</u>	<u>91,680</u>
Debit / (credit) in the income statement	(11,439)	(5,263)
Balance at 31 March 2008	<u>136,118</u>	<u>86,417</u>

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	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	1,240	1,240
Balance 31.03.2008	206,458	206,458

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	(9,151)	2	37	(3,585)	17	(12,680)
Balance 31.03.2008	(62,190)	(348)	(521)	(4,998)	(2,283)	(70,340)

Company

Deferred Tax Liabilities	Investment property to fair value	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	727	727
Balance 31.03.2008	144,273	144,273

Company						Total
Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	
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	(2,365)	2	37	(3,585)	(79)	(5,990)
Balance 31.03.2008	(51,539)	13	(491)	(4,998)	(841)	(57,856)

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

10 Trade and other payables

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Trade Payables	14,254	10,141	12,896	7,976
Amounts due to subsidiaries (Note 16)	(0)	-	36,260	39,144
Amounts due to other related parties (Note 16)	430	12,582	9	2,870
Social security and other taxes	1,835	1,602	1,688	1,532
Customer advances	525	39,590	351	39,347
Accrued expenses	7,970	9,049	24,189	42,208
Unearned and deferred income	156	908	156	908
Lease Guarantees	3,688	3,658	2,569	2,571
Other creditors	15	184	13	175
Trade and other Payables	28,873	77,713	78,131	136,731
Less long-term liabilities: lease guarantees	(3,688)	(3,658)	(2,569)	(2,571)
Short-term liabilities	25,185	74,055	75,562	134,159

Group and company trade and other payables are interest free.

11 Derivatives

Unaudited figures. All amounts in euro thousands

Interest rate swaps held for trading	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Non-current liabilities	33,492	17,145	33,492	17,145
Current liabilities	5,575	3,129	5,575	3,129
	<u>39,068</u>	<u>20,274</u>	<u>39,068</u>	<u>20,274</u>

At 31 March 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 31 March 2008, the fair value of this interest rate swap was € 9,386 thousand (31 December 2007: -). A finance expense of € 2,386 thousand was recognised in the income statement.

- 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. The Group receives Euribor 1month plus an average spread of 2.37% for 1/2 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.03.2008: 1.45%). 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 January 30th, 2020 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. Starting from January 30th, 2020, there will be a negative effect on the Group's cash inflows only in case that the first of the above two conditions does not stand. The above described negative effect will refer to the calendar days that the conditions do not stand for each respective period mentioned above. At 31 March 2008, the fair value of this interest rate swap was € 16,822 thousand (31 December 2007: € 4,661 thousand). A finance expense of € 12,160 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 (four) 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 (see Derivatives), 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, its provisions are altered. More specifically, the Company has already paid the first instalment calculated as interest on the notional principal with an interest rate of 1.95%. Starting from March 2008, the agreement 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 31 March 2008, the total fair value of the interest rate swap agreements with Deutsche Bank amounted to € 12,860 thousand (31 December 2007: € 15,613 thousand). A finance expense of € 334 thousand and € 157 thousand was recognised in the income statement for the first two agreements respectively. Finance revenue of € 37 thousand and € 662 thousand was recognised in the income statement for the last two agreements respectively.

12 Revenue

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007
Rental income	11,857	11,403	8,203	8,026
Sale of property	2,387	3,409	2,387	3,409
Construction work	285	185	285	185
Other	-	-	0	3
	<u>14,529</u>	<u>14,997</u>	<u>10,875</u>	<u>11,623</u>

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

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

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

13 Earnings per share

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007
Net profit attributable to shareholders	(6,252)	(5,165)	1,961	(5,522)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(0.18)	(0.15)	0.06	(0.16)

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.

14 Cash generated from operations

Unaudited figures. All amounts in euro thousands

	Consolidated		Company	
	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	01/01/2007 - 31/03/2007
Net profit	(6,232)	(5,178)	1,961	(5,522)
Adjustments for:				
– income tax expense	(11,439)	626	(5,263)	488
– depreciation and amortisation	135	125	93	87
– net gain from fair value adjustment on investment property	(5,401)	-	(2,865)	-
– Provision for inventory impairment	(156)	(305)	(156)	(305)
– Increase in retirement provision	(146)	42	(148)	28
– Increase in other provisions	-	(70)	-	(20)
– interest expense	11,836	8,982	8,835	6,346
– interest revenue	(225)	(320)	(220)	(190)
– (income) / loss from derivatives	13,795	482	13,795	482
– dividend (income) / loss	-	-	(16,485)	1,342
Changes in working capital:				
– trade and other receivables	(6,287)	2,872	(11,032)	1,598
– inventories	(3,533)	(7,386)	(3,165)	(7,646)
– payables	(35,945)	(3,769)	(38,072)	2,339
Cash generated from operations	(43,599)	(3,899)	(52,722)	(973)

15 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 € 7,790 thousand (31 December 2007: 49,435 thousand) and € 4,091 thousand (31 December 2007: € 45,737 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 March 2008, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 3,602 thousand (31 December 2007: € 3,602 thousand) for which a provision of € 867 thousand (31 December 2007: € 867 thousand) for the Group and € 417 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 31 March 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 31 March 2008, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 1,881 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 2002, '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 November 2007, a tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was started. The tax audit from the tax authorities is not yet completed and, consequently, any probable tax audit differences are not yet finalised. A provision which burdened the previous fiscal years' company results has been formed and there is no expectation that any significant additional liability will incur.

16 Related-party transactions

At 31 March 2008, Mr. Charalambos Vovos owns 36.07% of the parent company's shares and voting rights. The remaining 63.93% 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 - 31/03/2008	01/01/2007 - 31/03/2007	01/01/2008 - 31/03/2008	1/1/2007 - 31/03/2007
Sales of goods and services				
<i>Sales of goods</i>				
Babis Vovos International	-	-	-	3
Construction S.A. & Co GP	-	-	0	3
	<u>-</u>	<u>-</u>	<u>0</u>	<u>3</u>
<i>Sales of services</i>				
Innovative Buildings S.A	1	0	-	-
Promise Cafe Ltd.	20	-	-	-
The Greek Coffee Company S.A.	57	-	-	-
	<u>78</u>	<u>0</u>	<u>-</u>	<u>-</u>
Purchases of goods and services				
<i>Purchases of goods</i>				
Babis Vovos International	-	-	11	49
Construction S.A. & Co GP	-	-	11	49
	<u>-</u>	<u>-</u>	<u>11</u>	<u>49</u>
<i>Purchases of services</i>				
Babis Vovos International				
Construction S.A. & Co GP	-	-	31	9
Services of key management				
personnel	232	210	232	210
	<u>232</u>	<u>210</u>	<u>262</u>	<u>218</u>
Key management compensation				
Salaries and other short term				
employee benefits	334	232	334	232
	<u>334</u>	<u>232</u>	<u>334</u>	<u>232</u>

Year-end balances arising from sales/purchases of goods/services	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<i>Receivables from related parties</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	48,695	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	994	956
Innovative Buildings S.A	2	1	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	11,024	11,024	5,036	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	127	128	127	128
Key management personnel	584	598	584	598
	<u>12,297</u>	<u>12,309</u>	<u>55,980</u>	<u>49,277</u>
<i>Payables to related parties</i>				
Doma S.A	-	-	8,623	8,626
International Palace Hotel S.A	-	-	3,850	3,850
Alteco S.A	-	-	10,264	10,270
Elfinko S.A.	-	-	13,524	16,398
The Greek Coffee Company S.A.	0	1	-	-
Key management personnel	429	12,580	9	2,870
	<u>430</u>	<u>12,582</u>	<u>36,269</u>	<u>42,014</u>

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.