



Babis Vovos International Construction S.A.

Interim financial statements for the nine months
ended 30 September 2005

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Balance sheet

Unaudited figures. All amounts in Euro thousands.

	Note	Consolidated		Company	
		30 September 2005	31 December 2004	30 September 2005	31 December 2004
ASSETS					
Non-current assets					
Investment property	5	692,456	624,951	552,669	535,286
Property, plant and equipment		108,002	30,064	59,319	21,208
Intangible assets		18,966	18,866	16,538	16,437
Investments		18	18	32,301	21,728
Other non-current receivables		232	227	56	47
		<u>819,674</u>	<u>674,126</u>	<u>660,883</u>	<u>594,707</u>
Current assets					
Inventories		32,784	63,030	29,889	37,921
Trade receivables		29,035	44,534	31,852	83,476
Securities		394	381	394	381
Cash and cash equivalents		17,077	73,739	15,709	47,594
		<u>79,290</u>	<u>181,684</u>	<u>77,844</u>	<u>169,372</u>
Total assets		<u>898,964</u>	<u>855,810</u>	<u>738,727</u>	<u>764,079</u>
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital		46,832	46,832	46,832	46,832
Reserves		42,325	23,642	43,727	25,044
Retained earnings		285,037	279,166	211,187	256,344
		<u>374,194</u>	<u>349,640</u>	<u>301,747</u>	<u>328,220</u>
Minority interest		4,496	4,194	-	-
Total equity		<u>378,690</u>	<u>353,835</u>	<u>301,747</u>	<u>328,220</u>
LIABILITIES					
Non-current liabilities					
Borrowings, including finance leases	6	316,234	295,125	278,644	277,117
Deferred income tax liabilities	8	90,320	67,497	67,833	58,925
Retirement benefit obligations		1,501	1,381	1,356	1,245
Other non-current liabilities		3,893	4,681	3,014	3,403
		<u>411,948</u>	<u>368,684</u>	<u>350,846</u>	<u>340,691</u>
Current liabilities					
Trade and other payables		24,092	54,924	31,947	18,853
Current income tax liabilities		9,777	17,694	8,991	17,316
Borrowings, including finance leases	6	71,802	54,484	42,541	52,809
Dividend payable		2,655	6,189	2,655	6,189
		<u>108,326</u>	<u>133,291</u>	<u>86,134</u>	<u>95,168</u>
Total liabilities		<u>520,274</u>	<u>501,975</u>	<u>436,980</u>	<u>435,858</u>
Total equity and liabilities		<u>898,964</u>	<u>855,810</u>	<u>738,727</u>	<u>764,079</u>

The notes on pages 9 to Page 24 are an integral part of these consolidated financial statements.

Income statement

Unaudited figures. All amounts in Euro thousands, except per share data.

	Note	Consolidated		Company	
		30 September 2005	30 September 2004	30 September 2005	30 September 2004
Revenue	7	27,449	34,772	22,661	28,934
Cost of sales		(17,090)	(21,932)	(12,434)	(18,641)
Gross profit		10,360	12,840	10,226	10,293
Net gain from fair value adjustment on investment property	5	62,872	157,124	20,811	155,473
Selling and marketing costs		(43)	(426)	(42)	(426)
Administrative expenses		(6,169)	(3,590)	(5,525)	(3,072)
Other gains / (expenses) - net		713	(154)	(172)	(108)
Operating profit		67,733	165,793	25,299	162,160
Finance costs		(15,393)	(15,161)	(13,013)	(14,225)
Profit before income tax		52,339	150,633	(10,281)	160,018
Income tax expense		(21,922)	(48,368)	(10,514)	(51,763)
Profit for the year		30,417	102,265	(20,796)	108,255
Attributable to:					
Equity holders of the Company		30,225	102,354	(20,796)	108,255
Minority interest		192	(89)	-	-
		<u>30,417</u>	<u>102,265</u>	<u>(20,796)</u>	<u>108,255</u>
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
	9	<u>0.89</u>	<u>3.02</u>	<u>(0.61)</u>	<u>3.19</u>

The notes on pages 9 to Page 24 are an integral part of these consolidated financial statements.

	Consolidated		Company	
	1/7/05 - 30/9/2005	1/7/04 - 30/9/2004	1/7/05 - 30/9/2005	1/7/04 - 30/9/2004
Revenue	8,967	9,756	7,387	8,316
Cost of sales	(5,528)	(6,679)	(4,032)	(6,286)
Gross profit	3,438	3,077	3,355	2,031
Net gain from fair value adjustment on investment property	16,293	-	1,556	-
Selling and marketing costs	(13)	(170)	(13)	(170)
Administrative expenses	(1,281)	(1,227)	(1,150)	(1,062)
Other gains / (expenses) - net	(151)	(607)	(264)	(525)
Operating profit	18,287	1,074	3,485	274
Dividends received	-	-	(693)	12,037
Finance costs	(5,212)	(5,990)	(4,465)	(5,479)
Profit before income tax	13,075	(4,916)	(1,674)	6,832
Income tax expense	(1,542)	2,522	(811)	(1,441)
Profit for the year	11,533	(2,394)	(2,485)	5,391
<u>Attributable to:</u>				
Equity holders of the Company	11,392	(2,333)	(2,485)	5,391
Minority interest	141	(61)	-	-
	<u>11,533</u>	<u>(2,394)</u>	<u>(2,485)</u>	<u>5,391</u>
 Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)				
	<u>0.34</u>	<u>(0.07)</u>	<u>(0.07)</u>	<u>0.16</u>

The notes on pages 9 to Page 24 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

	Note	Attributable to equity holders of the Group			Minority interest	Total equity
		capital	reserves	earnings		
Balance at 31 December 2004		46,832	23,642	279,166	4,194	353,835
Effect of adopting IAS 32 & 39		-	-	1,114	3	1,118
Balance at 1 January 2005		46,832	23,642	280,280	4,197	354,952
Profit for the period		-	-	30,225	192	30,417
Profit Distribution - Reserves 2004		-	18,682	(18,682)	-	-
Dividend 2004		-	-	(6,786)	-	(6,786)
Acquisition of subsidiary	13	-	-	-	106	106
Balance at 30 September 2005		46,832	42,325	285,037	4,496	378,690

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 2004	46,832	29,400	156,673	3,579	236,484
Profit for the period	-	-	102,354	(89)	102,265
Profit Distribution - Reserves 2003	-	361	(361)	-	-
Dividend 2003	-	-	(769)	-	(769)
Balance at 30 September 2004	46,832	29,761	257,898	3,489	337,980
Profit for the period	-	-	27,508	705	28,213
Loss from disposal of treasury shares	-	(6,919)	-	-	(6,919)
Profit Distribution - Reserves 2004	-	801	(801)	-	-
Dividend 2004	-	-	(5,440)	-	(5,440)
Balance at 31 December 2004	46,832	23,642	279,166	4,194	353,835

The notes on pages 9 to Page 24 are an integral part of these consolidated financial statements.

Statement of changes in equity (Company data)

	Attributable to equity holders of the Company			Total equity
	Share capital	Other reserves	Retained earnings	
Balance at 31 December 2004	46,832	25,044	256,344	328,220
Effect of adopting IAS 32 & 39	-	-	1,108	1,108
Balance at 1 January 2005	46,832	25,044	257,452	329,328
Profit for the period	-	-	(20,796)	(20,796)
Profit Distribution - Reserves 2004	-	18,682	(18,682)	-
Dividend 2004	-	-	(6,786)	(6,786)
Balance at 30 September 2005	46,832	43,727	211,187	301,747

Statement of changes in equity (Company data)

	Attributable to equity holders of the Company			Total equity
	Share capital	Other reserves	Retained earnings	
Balance at 1 January 2004	46,832	30,802	125,917	203,551
Profit for the period	-	-	108,255	108,255
Profit Distribution - Reserves 2003	-	361	(361)	-
Dividend 2003	-	-	(769)	(769)
Balance at 30 September 2004	46,832	31,163	233,043	311,038
Profit for the period	-	-	29,531	29,531
Loss from disposal of treasury shares	-	(6,919)	-	(6,919)
Profit Distribution - Reserves 2004	-	801	(801)	-
Dividend 2004	-	-	(5,429)	(5,429)
Balance at 31 December 2004	46,832	25,044	256,344	328,220

The notes on pages 9 to Page 24 are an integral part of these consolidated financial statements.

Cash flow statement

Unaudited figures. All amounts in Euro thousands.

	Note	Consolidated		Company	
		30 September 2005	30 September 2004	30 September 2005	30 September 2004
Cash flows from operating activities					
Cash generated from operations	10	(4,855)	15,500	53,242	2,904
Interest paid		(15,318)	(15,161)	(12,940)	(14,225)
Income tax paid		(10,520)	(4,711)	(9,931)	(4,037)
Net cash generated from operating activities		(30,694)	(4,372)	30,371	(15,358)
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		(10,572)	-	(10,572)	-
Additions in investment property (acquisitions & development)		(2,195)	(20,082)	(2,195)	(19,684)
Proceeds from sale of investment property		-	-	-	-
Additions in property, plant and equipment & intangible assets		(35,213)	(651)	(30,414)	(828)
Proceeds from sale of property, plant and equipment		-	4,250	-	4,250
Decrease (Increase) of other short - term liabilities		(13)	1,128	(13)	1,128
Net cash used in investing activities		(47,993)	(15,355)	(43,194)	(15,134)
Cash flows from financing activities					
Borrowings inflows		74,065	53,525	26,065	45,585
Borrowings payback		(41,721)	(24,279)	(34,807)	(19,031)
Dividends paid		(10,321)	(6,760)	(10,321)	(6,760)
Net cash used in financing activities		22,024	22,486	(19,062)	19,795
Net (decrease) / increase in cash and bank overdrafts					
		(56,662)	2,759	(31,885)	(10,698)
Cash and cash equivalents at beginning of the year		73,739	26,351	47,594	19,705
Cash and cash equivalents at end of the year		17,077	29,111	15,709	9,007

The notes on pages 9 to Page 24 are an integral part of these consolidated financial statements.

Notes to the financial statements

1 General information

Babis Vovos International Construction S.A. (the “Company”) and its subsidiaries (together “BVIC” or the “Group”) is a real estate development and management group with activities in Greece. It is principally involved in developing 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. Psichiko 154 51, Greece.

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

These financial statements have been approved for issue by the Board of Directors on November 23rd, 2005.

2 Summary of significant accounting policies

2.1 Basis of preparation

These interim financial statements of Babis Vovos International Construction S.A. (“BVIC” or the “Group”) are for the nine months ended 30 September 2005. They have been prepared in accordance with IAS 34 “Interim Financial Reporting, and are covered by IFRS 1 “First-time adoption of IFRS”, because they are part of the period covered by the Group’s first IFRS financial statements for the year ending 31 December 2005. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (September 2005). The IFRS and IFRIC interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the Transition Report 2004 (the “Transition Report”) published together with the financial statements of 31st March 2005.

In accordance with the transitional provisions set out in IFRS 1, and other relevant standards, the Group has applied IFRS expected to be in force as at 31st December 2005 in its financial reporting with effect from 1st January 2004, with the exception of the standards relating to financial instruments which were applied with effect from 1st January 2005, as described in the Transition Report. Therefore the impacts of adopting IAS 32 and IAS 39 are not included in the 2004 comparatives in accordance with IFRS 1.

Greek GAAP differs in some areas from IFRS. In preparing these consolidated financial statements, management has amended certain accounting and valuation methods applied in the Greek GAAP financial statements to comply with IFRS. The figures in respect of 2004 were restated to reflect these adjustments, except as described in the accounting policies in the Transition Report.

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Group’s equity and net income are provided in Note 3.

This interim financial information has been prepared under the historical cost convention, except that investment property is carried at fair value. The fair value of investment property and of owner-occupied property for which the fair value as “deemed cost” exemption was used, was based on a valuation report prepared by Ernst & Young Finance S.A (E&Y).

3 Transition to IFRS

3.1 Basis of transition to IFRS

The Group's financial statements for the year ended 31 December 2005 will be the first annual financial statements that comply with IFRS. This financial information for the year ended 31 December 2004 has been prepared as described in Note 2.1. The Group has applied IFRS 1 in preparing this interim financial information.

BVIC's transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date is 1 January 2005.

In preparing this financial information in accordance with IFRS 1, the Group has applied certain of the optional exemptions and the mandatory exceptions from full retrospective application of IFRS.

3.2 Reconciliations between IFRS and Greek GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS. The first reconciliation provides an overview of the impact on equity of the transition at 1 January 2004, 30 September and 31 December 2004 (Note 3.2.1).

The following five reconciliations provide details of the impact of the transition on:

- Balance Sheet at 30 September 2004 (Note 3.2.2)
- Income Statement at 30 September 2004 (Note 3.2.3)
- Net income at 30 September 2004 & 31 December 2004 (3.2.4)

3.2.1 Summary of equity

Unaudited figures. All amounts in Euro thousands.

Consolidated	1 January 2004	30 September 2004	31 December 2004
Equity under Greek GAAP	132,226	148,599	137,590
Gain from revaluation of investment property to fair value	303,860	460,951	479,319
Retrospective application of IAS 17 for finance leases	(114,779)	(138,219)	(168,231)
Reversal of profit from sale of property under preliminary agreements	(31,615)	(31,618)	(29,482)
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	(1,542)	(808)	(560)
Provision for employees retirement benefit based on actuarial study	(1,240)	(1,362)	(1,381)
Provision for doubtful debt	(2,711)	(2,711)	(2,711)
Reversal of proposed dividend until approval by AGM	769	-	6,786
Recognition of deferred tax	(48,484)	(96,852)	(67,497)
Total adjustments	104,258	189,381	216,244
Equity under IFRS	236,484	337,980	353,835

Company	1 January 2004	30 September 2004	31 December 2004
Equity under Greek GAAP	138,220	150,434	143,850
Gain from revaluation of investment property to fair value	226,132	381,607	399,215
Retrospective application of IAS 17 for finance leases	(112,212)	(120,504)	(150,524)
Reversal of profit from sale of property under preliminary agreements	(10,453)	(10,453)	(8,774)
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	(1,538)	(806)	(559)
Provision for employees retirement benefit based on actuarial study	(1,120)	(1,231)	(1,245)
Provision for doubtful debt	(1,604)	(1,604)	(1,604)
Reversal of proposed dividend until approval by AGM	769	-	6,786
Recognition of deferred tax	(34,643)	(86,405)	(58,925)
Total adjustments	65,332	160,604	184,370
Equity under IFRS	203,551	311,038	328,220

3.2.2 Reconciliation of balance sheet at 30 September 2004

Unaudited figures. All amounts in Euro thousands.

	<u>Greek GAAP</u>	<u>Consolidated Effect of transition to IFRS</u>	<u>IFRS</u>
ASSETS			
Non-current assets			
Investment property	-	591,162	591,162
Property, plant and equipment	16,420	24,591	41,011
Intangible assets	950	17,782	18,733
Investments	18	-	18
Other non-current receivables	720	(247)	473
	<u>18,108</u>	<u>633,289</u>	<u>651,397</u>
Current assets			
Inventories	101,459	(35,112)	66,346
Trade receivables	138,573	(99,967)	38,606
Securities	44,413	-	44,413
Cash and cash equivalents	29,111	-	29,111
	<u>313,555</u>	<u>(135,079)</u>	<u>178,476</u>
Total assets	<u>331,664</u>	<u>498,210</u>	<u>829,873</u>
EQUITY			
Capital and reserves attributable the Company's equity holders			
Share capital	46,832	-	46,832
Reserves	73,793	(44,032)	29,761
Retained earnings	25,892	232,006	257,898
	<u>146,517</u>	<u>187,974</u>	<u>334,491</u>
Minority interest	2,082	1,407	3,489
Total equity	<u>148,599</u>	<u>189,381</u>	<u>337,980</u>
LIABILITIES			
Non-current liabilities			
Borrowings, including finance leases	22,599	232,468	255,067
Deferred income tax liabilities	-	96,852	96,852
Retirement benefit obligations	-	1,362	1,362
Other non-current liabilities	5,061	-	5,061
	<u>27,660</u>	<u>330,682</u>	<u>358,342</u>
Current liabilities			
Trade and other payables	90,133	(35,055)	55,078
Current income tax liabilities	20,200	-	20,200
Borrowings, including finance leases	42,948	13,202	56,150
Dividend payable	2,123	-	2,123
	<u>155,404</u>	<u>(21,853)</u>	<u>133,551</u>
Total liabilities	<u>183,064</u>	<u>308,829</u>	<u>491,893</u>
Total equity and liabilities	<u>331,664</u>	<u>498,210</u>	<u>829,873</u>

	Greek GAAP	Company Effect of transition to IFRS	IFRS
ASSETS			
Non-current assets			
Investment property	-	503,078	503,078
Property, plant and equipment	14,334	17,048	31,382
Intangible assets	948	15,356	16,304
Investments	21,728	-	21,728
Other non-current receivables	164	-	164
	37,174	535,483	572,657
Current assets			
Inventories	90,382	(48,633)	41,749
Trade receivables	114,603	(44,971)	69,632
Securities	44,413	-	44,413
Cash and cash equivalents	9,007	-	9,007
	258,405	(93,604)	164,800
Total assets	295,579	441,878	737,457
EQUITY			
Capital and reserves attributable the Company's equity holders			
Share capital	46,832	-	46,832
Reserves	75,195	(44,032)	31,163
Retained earnings	28,407	204,636	233,043
	150,434	160,604	311,038
Minority interest	-	-	-
Total equity	150,434	160,604	311,038
LIABILITIES			
Non-current liabilities			
Borrowings, including finance leases	22,599	214,561	237,160
Deferred income tax liabilities	-	86,405	86,405
Retirement benefit obligations	-	1,231	1,231
Other non-current liabilities	3,607	-	3,607
	26,206	302,197	328,403
Current liabilities			
Trade and other payables	55,686	(33,639)	22,046
Current income tax liabilities	19,875	-	19,875
Borrowings, including finance leases	41,256	12,716	53,972
Dividend payable	2,123	-	2,123
	118,939	(20,923)	98,016
Total liabilities	145,145	281,274	426,420
Total equity and liabilities	295,579	441,878	737,457

3.2.3 Reconciliation of income statement for the nine months ended 30 September 2004

Unaudited figures. All amounts in Euro thousands.

	Greek GAAP	Consolidated	
		Effect of transition to IFRS	IFRS
Revenue	76,423	(41,652)	34,772
Cost of sales	(49,161)	27,229	(21,932)
Gross profit	27,263	(14,423)	12,840
Net gain from fair value adjustment on investment property	-	157,124	157,124
Selling and marketing costs	(460)	33	(426)
Administrative expenses	(4,254)	663	(3,590)
Other gains / (expenses) - net	818	(973)	(154)
Operating profit	23,368	142,426	165,793
Finance costs	(6,188)	(8,973)	(15,161)
Non operating / extraordinary expenses (revenues)	(498)	498	-
Profit before income tax	16,682	133,951	150,633
Income tax expense	(308)	(48,060)	(48,368)
Profit for the year	16,373	85,891	102,265
		Company	
		Effect of transition to IFRS	IFRS
Revenue	52,613	(23,679)	28,934
Cost of sales	(42,652)	24,011	(18,641)
Gross profit	9,962	331	10,293
Net gain from fair value adjustment on investment property	-	155,473	155,473
Selling and marketing costs	(460)	33	(426)
Administrative expenses	(3,806)	733	(3,072)
Other gains / (expenses) - net	635	(743)	(108)
Operating profit	6,332	155,828	162,160
Dividends received	12,083	-	12,083
Finance costs	(5,535)	(8,690)	(14,225)
Non operating / extraordinary expenses (revenues)	(484)	484	-
Profit before income tax	12,396	147,622	160,018
Income tax expense	(182)	(51,581)	(51,763)
Profit for the year	12,214	96,041	108,255

3.2.4 Reconciliation of net income for the period ended 30 September 2004 and the year ended 31 December 2004

Unaudited figures. All amounts in Euro thousands.

	Consolidated	
	30 September 2004	31 December 2004
Net profit under Greek GAAP	16,373	24,426
Gain from revaluation of investment property to fair value	157,090	175,543
Retrospective application of IAS 17 for finance leases	(23,440)	(53,452)
Reversal of profit from sale of property under preliminary agreements	(3)	2,133
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	734	982
Provision for employees retirement benefit based on actuarial study	(122)	(140)
Recognition of deferred tax	(48,368)	(19,013)
Total adjustments	85,891	106,052
Net profit under IFRS	102,265	130,478

	Company	
	30 September 2004	31 December 2004
Net profit under Greek GAAP	12,214	24,739
Gain from revaluation of investment property to fair value	155,475	173,109
Retrospective application of IAS 17 for finance leases	(8,292)	(38,312)
Reversal of profit from sale of property under preliminary agreements	-	1,679
Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	732	979
Provision for employees retirement benefit based on actuarial study	(112)	(126)
Recognition of deferred tax	(51,763)	(24,282)
Total adjustments	96,041	113,047
Net profit under IFRS	108,255	137,786

4 Segment Reporting

4.1 Primary reporting format – business segments

At 30 September 2005, the Group is 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 nine months ended 30 September 2005 are as follows:

Unaudited figures. All amounts in Euro thousands.

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	-	868	26,582	-	27,449
Operating profit		(252)	73,184	(5,199)	67,733
Finance costs	-	-	-	-	(15,393)
Profit before income tax		(252)	73,184	(5,199)	52,339
Income tax expense	-	-	-	-	(21,922)
Profit for the year		(252)	73,184	(5,199)	30,417

The segment results for the six months ended 30 September 2004 are as follows:

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	8,629	2,941	23,202	-	34,772
Operating profit	15,665	1,053	153,558	(4,483)	165,793
Finance costs	-	-	-	-	(15,161)
Profit before income tax	15,665	1,053	153,558	(4,483)	150,633
Income tax expense	-	-	-	-	(48,368)
Profit for the year	15,665	1,053	153,558	(4,483)	102,265

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

Unaudited figures. All amounts in Euro thousands.

Nine months ended September 2005					
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	-	-	(8,502)	-	(8,502)
Net gain from fair value adjustment on investment property	-	-	62,872	-	62,872
Impairment of receivables	-	-	(1,300)	-	(1,300)

Nine months ended September 2004					
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	-	-	(8,120)	-	(8,120)
Net gain from fair value adjustment on investment property	-	-	157,124	-	157,124
Impairment of receivables	-	-	-	-	-

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The segment assets and liabilities at 30 September 2005 are as follows:

	September 2005				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	142,717	1,615	703,229	51,403	898,964
Total Liabilities	125,112		286,611	108,551	520,274

The segment assets and liabilities at 31 December 2004 are as follows:

	December 2004				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	109,157	1,989	637,158	107,506	855,810
Total Liabilities	124,844	153	278,744	98,234	501,975

Segment assets consist primarily of investment property, property plant and equipment, intangible assets, inventories, trade and other receivables as well as cash and cash equivalents.

Segment liabilities consist primarily of borrowings (including finance leases), trade and other liabilities, deferred and current income tax liabilities

4.2 Secondary reporting format – geographical segments

The Group realises the total of its sales in Greece.

5 Investment property

Unaudited figures. All amounts in Euro thousands.

	Consolidated	Company
At beginning of period (01.01.2004)	355,731	270,051
Additions in investment property	20,082	19,684
Transfer from property, plant and equipment	62,434	62,081
Transfer to property, plant and equipment	(4,210)	(4,210)
Net gain from fair value adjustments on investment property	157,124	155,473
At end of period (30.09.2004)	591,162	503,078
Additions in investment property	1,278	1,278
Transfer from property, plant and equipment	12,713	11,962
Transfer from inventory	1,336	1,336
Net gain from fair value adjustments on investment property	18,463	17,632
At end of period (31.12.2004)	624,951	535,286
Acquisition of subsidiary	-	-
Additions in investment property	11,910	11,910
Transfer from property, plant and equipment	22,162	-
Transfer to property, plant and equipment	(50,352)	(17,852)
Transfer from inventory	20,913	2,513
Net gain from fair value adjustments on investment property	62,872	20,811
At end of period (30.09.2005)	692,456	552,669

Additions to investment property

During the nine months ended 30 September 2005 the Group acquired five investment properties (three of them during the first quarter of 2005 one during the second quarter of 2005 and the last one during the third quarter of 2005). Only two of the aforementioned properties are included in Investment Property as at September 30th 2005. The remaining three properties are currently under construction and were reclassified to Property Plant and Equipment (refer to paragraph Acquisition of investment property currently under development).

Part of the building (54% of horizontal ownerships) which is being developed in a property acquired by the Group (through the acquisition of a company) located in Maroussi (49 Kifissias Av.) was fully completed. For this part, an operating lease agreement was signed with Media Markt. The completion of the part concerning the operating lease agreement signed with Media Markt had a positive contribution of approximately € 15 million in the Group's Net Asset Value before deferred tax during the third quarter of 2005 based on the valuation performed by independent appraiser.

Transfer from inventory

Carrefour and BVIC jointly agreed not to proceed with the preliminary sale agreement they had entered into under which Carrefour would have acquired part of a hypermarket development at Delta Falirou. During the six months ended 30 June 2005 the Group refunded the prepayment of € 28 million that was received as part of the preliminary agreement with no additional penalty or charges and in June 2005 a new operating lease agreement for the same property was signed by the Group. The Delta Falirou property was transferred from inventory to investment property and re-valued to fair value, which resulted in gain of € 17.5 million. Since the construction of this property has already started, the fair market value of the land plot as well as the incorporated construction costs were respectively reclassified from Investment Property and Inventories to Property Plant and Equipment

Certain other preliminary contracts regarding other properties (mainly parking spaces) were cancelled and these properties were transferred from inventory to investment property and re-valued to fair value, which resulted in a gain of € 18.5 million.

Acquisition of investment property currently under development

Three land plots (investment properties) that were acquired by the Group during the nine months ended September 2005 are currently under development and included in Property Plant and Equipment.

Investment property includes buildings held under sale and leaseback agreements of which the carrying amount is € 579,364,657.

Investment property also includes the right to use for 48 years a land plot. The Group has entered into a BOT style agreement with the Russian Federation, under which the Group constructed two building complexes totalling a plot surface area of 27,372sqm (Complex I (10,000sqm) and Complex II (17,372sqm)). The Russian Federation now occupies Complex I, and the Group has been granted a lease in respect of Complex II for 48 years. This structure was designed to meet the Russian Federation's particular specifications. The Group has entered into a securitisation type transaction for 18 years in respect of its interest in Complex II under which it has sold its right to receive revenue for 18 years to a leasing company. The Group has subleased the whole of Complex II and the car park to Vodafone for a term of 18 years.

6 Borrowings

Unaudited figures. All amounts in Euro thousands.

	Consolidated		Company	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Non - current				
Bank Borrowings	27,701	10,785	27,701	10,785
Finance lease liabilities	288,533	284,340	250,943	266,332
	<u>316,234</u>	<u>295,125</u>	<u>278,644</u>	<u>277,117</u>
Current				
Bank Borrowings	56,737	44,102	28,042	42,974
Finance lease liabilities	15,066	10,382	14,499	9,835
	<u>71,802</u>	<u>54,484</u>	<u>42,541</u>	<u>52,809</u>
Total borrowings	<u>388,036</u>	<u>349,609</u>	<u>321,185</u>	<u>329,927</u>

All the Group's borrowings are in Euro and at floating rates of interest. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such changes.

The borrowings include amounts secured on investment property (including sale and leaseback agreements) to the value of € 98,740,524 (Note 5).

The effective interest rate at 30 September 2005 was 5.94% for bank borrowings and 5.16% for finance lease liabilities. The fair value of these floating-rate borrowings on September 30th 2005 approximated their carrying values.

7 Revenue

Unaudited figures. All amounts in Euro thousands.

Revenue	Consolidated		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Rental income	26,582	23,202	21,788	18,301
Sale of property	-	8,629	-	7,692
Construction work	868	2,941	868	2,941
Other	-	-	5	1
	<u>27,449</u>	<u>34,772</u>	<u>22,661</u>	<u>28,934</u>

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

8 Deferred Tax

Deferred income tax has been determined using tax rates that will have been enacted by law by the date that the related deferred income tax asset will be realised or the deferred income tax liability will be settled.

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 analysis of the amounts offset is as follows:

Unaudited figures. All amounts in Euro thousands.

Consolidated						
Deferred Tax Liabilities	Revaluation of investment property to fair value	Retrospective application of IAS 17 for finance leases	Reversal of profit from sale of property under preliminary agreements	Write-off of expenses capitilised but do not meet the IAS 38 criteria for recognition of intangible assets	Provision for employees retirement benefit based on actuarial study	Total
Total 01.01.2004	99,156	-	-	-	-	99,156
Income Statement	54,820	-	-	-	-	54,820
Total 30.09.2004	153,976	-	-	-	-	153,976
Income Statement	(37,784)	-	-	-	-	(37,784)
Total 31.12.2004	116,192	-	-	-	-	116,192
Income Statement	10,701	-	-	-	-	10,701
Acquisition of subsidiary	7,550	-	-	-	-	7,550
Total 30.09.2005	134,443	-	-	-	-	134,443

Consolidated						
Deferred Tax Assets	Revaluation of investment property to fair value	Retrospective application of IAS 17 for finance leases	Reversal of profit from sale of property under preliminary agreements	Write-off of expenses capitilised but do not meet the IAS 38 criteria for recognition of intangible assets	Provision for employees retirement benefit based on actuarial study	Total
Total 01.01.2004	-	40,667	9,037	540	429	50,673
Income Statement	-	6,666	1	(257)	42	6,452
Total 30.09.2004	-	47,333	9,038	283	471	57,125
Income Statement	-	(5,499)	(2,659)	(143)	(129)	(8,429)
Total 31.12.2004	-	41,834	6,379	140	342	48,695
Income Statement	-	1,511	(6,379)	(95)	30	(4,933)
Acquisition of subsidiary	-	-	-	361	-	361
Total 30.09.2005	-	43,345	-	406	372	44,123

Total 30.09.2005 (net liability)	134,443	(43,345)	-	(406)	(372)	90,320
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Company						
Deferred Tax Liabilities	Revaluation of investment property to fair value	Retrospective application of IAS 17 for finance leases	Reversal of profit from sale of property under preliminary agreements	Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	Provision for employees retirement benefit based on actuarial study	Total
Total 01.01.2004	79,146	-	-	-	-	79,146
Income Statement	54,416	-	-	-	-	54,416
Total 30.09.2004	133,562	-	-	-	-	133,562
Income Statement	(33,759)	-	-	-	-	(33,759)
Total 31.12.2004	99,804	-	-	-	-	99,804
Income Statement	5,204	-	-	-	-	5,204
Total 30.09.2005	105,007	-	-	-	-	105,007

Company						
Deferred Tax Assets	Revaluation of investment property to fair value	Retrospective application of IAS 17 for finance leases	Reversal of profit from sale of property under preliminary agreements	Write-off of expenses previously capitalised but do not meet the IAS 38 criteria for recognition of intangible assets	Provision for employees retirement benefit based on actuarial study	Total
Total 01.01.2004	-	39,915	3,659	538	392	44,504
Income Statement	-	2,871	-	(256)	39	2,654
Total 30.09.2004	-	42,786	3,659	282	431	47,157
Income Statement	-	(4,551)	(1,465)	(142)	(120)	(6,278)
Total 31.12.2004	-	38,234	2,193	140	311	40,879
Income Statement	-	(1,444)	(2,193)	(95)	28	(3,704)
Total 30.09.2005	-	36,791	-	45	339	37,175
Total 30.09.2005 (net liability)	105,007	(36,791)	-	(45)	(339)	67,833

9 Earnings per share

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 year.

	Consolidated		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Net profit attributable to shareholders	30,225	102,354	(20,796)	108,255
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	0.89	3.02	(0.61)	3.19

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

10 Cash generated from operations

Unaudited figures. All amounts in Euro thousands.

	Consolidated		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Net profit	30,417	102,265	(20,796)	108,255
Adjustments for:				
– income tax expense	21,922	48,368	10,514	51,763
– depreciation and amortisation	418	415	339	334
– profit on sale of investment property	-	-	-	-
– profit on sale of PPE	-	(2,453)	-	(2,453)
– net gain from fair value adjustment on investment property	(62,872)	(157,124)	(20,811)	(155,473)
– Increase in retirement provision	121	122	111	112
– Provision for future tax audit differences	165	-	165	-
– Increase in provision for doubtful debt	1,300	-	1,300	-
– interest expense - net	15,393	15,161	13,013	14,225
– dividend income	-	-	22,567	(12,083)
Changes in working capital:				
– trade and other receivables	2,433	(6,871)	27,748	(2,095)
– inventories	5,876	(4,434)	5,518	(1,874)
– payables	(20,029)	20,053	13,574	2,194
Cash generated from operations	<u>(4,855)</u>	<u>15,500</u>	<u>53,242</u>	<u>2,904</u>

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

	Consolidated		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Net book amount	-	1,797	-	1,797
Profit on sale of PPE	-	2,453	-	2,453
Proceeds from sale of PPE	<u>-</u>	<u>4,250</u>	<u>-</u>	<u>4,250</u>

11 Contingent liabilities

The Group has contingent liabilities in respect of bank guarantees for securing the execution of the terms of contracts signed with customers amounting to € 2,669,245 arising in its ordinary course of business.

12 Related-party transactions

Unaudited figures. All amounts in Euro thousands.

	Consolidated		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
i) Sales of goods and services				
<i>Sales of goods</i>	-	-	5	1
BVIC SA & Co GP	-	-	5	1
ii) Purchases of goods and services				
<i>Purchases of services</i>				
Services of key management personnel	405	550	232	502
	405	550	232	502
iii) Key management compensation				
Salaries and other short term employee benefits	737	749	737	749
iv) Year-end balances arising from sales/purchases of goods/services				
<i>Receivables from related parties</i>				
BVIC SA & Co GP	-	-	46,479	33,531
International Health Care S.A	11,971	13,870	11,739	12,481
Positive Ltd.	499	538	490	490
Key management personnel	-	368	-	-
	12,470	14,776	58,708	46,501
<i>Payables to related parties</i>				
International Palace Hotel SA	-	-	3,886	3,943
Doma SA	-	-	8,266	8,126
Ergoliptiki SA	-	-	160	164
Alteco S.A	-	-	11,071	-
Marvo S.A	-	59	-	29
Key management personnel	31	59	8	-
	31	118	23,390	12,262

13 Business combinations

On January 18th, 2005 the Company acquired 99.01% of ALTECO S.A., a company that owns a plot of land in Maroussi, 49 Kifissias Av.

The assets and liabilities arising from the acquisition are as follows:

Unaudited figures. All amounts in Euro thousands.

	Fair value	Acquiree's carrying amount
Cash and cash equivalents	-	-
Investment property	21,094	5,632
Property, plant and equipment	187	187
Intangibles	-	1,443
Inventories	31	31
Receivables	794	794
Borrowings	(6,082)	(6,082)
Payables	(1,841)	(1,841)
Net deferred tax liabilities	(3,505)	-
Net assets	<u>10,679</u>	<u>165</u>
Minority interests (0.99%)	<u>(106)</u>	
Net assets acquired	<u>10,572</u>	

No goodwill arose on the above acquisition.