



## **Babis Vovos International Construction S.A.**

Interim Financial Statements for the three  
months ended 31 March 2006 under  
International Financial Reporting Standards

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## Balance sheet

*Unaudited figures. All amounts in Euro thousands.*

	Note	Consolidated		Company	
		31 March 2006	31 December 2005	31 March 2006	31 December 2005
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	5	1,021,319	904,383	720,294	708,069
Property, plant and equipment		24,337	22,240	15,568	19,432
Intangible assets		18,962	18,973	16,534	16,545
Investments		18	18	32,301	32,301
Derivative assets	8	880	-	880	-
Other non-current receivables		251	237	67	61
		<u>1,065,768</u>	<u>945,851</u>	<u>785,643</u>	<u>776,407</u>
<b>Current assets</b>					
Inventories		12,329	13,023	9,828	10,151
Trade and other receivables		69,439	53,563	96,868	91,947
Cash and cash equivalents		28,054	50,104	8,691	9,615
		<u>109,821</u>	<u>116,691</u>	<u>115,387</u>	<u>111,713</u>
<b>Total assets</b>		<b><u>1,175,589</u></b>	<b><u>1,062,542</u></b>	<b><u>901,030</u></b>	<b><u>888,121</u></b>
<b>EQUITY</b>					
<b>Capital and reserves attributable the Company's equity holders</b>					
Share capital		46,832	46,832	46,832	46,832
Reserves		23,053	23,053	25,244	25,244
Retained earnings		453,733	394,872	323,016	318,737
		<u>523,618</u>	<u>464,757</u>	<u>395,092</u>	<u>390,813</u>
Minority interest		7,931	7,868	-	-
<b>Total equity</b>		<b><u>531,548</u></b>	<b><u>472,626</u></b>	<b><u>395,092</u></b>	<b><u>390,813</u></b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	6	386,323	341,271	292,021	280,454
Deferred income tax liabilities	7	132,585	115,505	95,877	92,710
Retirement benefit obligations		1,611	1,549	1,457	1,404
Derivative liabilities	8	5,725	-	5,725	-
Other non-current liabilities		3,995	3,976	3,107	3,092
		<u>530,239</u>	<u>462,301</u>	<u>398,187</u>	<u>377,659</u>
<b>Current liabilities</b>					
Trade and other payables		25,380	31,233	51,464	56,166
Income tax		8,161	10,861	6,429	8,991
Borrowings	6	74,672	73,737	44,770	43,448
Dividend payable		2,623	2,634	2,623	2,634
Provisions for other liabilities & expenses		1,140	1,180	640	438
Derivative liabilities	8	1,825	7,970	1,825	7,970
		<u>113,802</u>	<u>127,616</u>	<u>107,751</u>	<u>119,648</u>
<b>Total liabilities</b>		<b><u>644,040</u></b>	<b><u>589,917</u></b>	<b><u>505,938</u></b>	<b><u>497,307</u></b>
<b>Total equity and liabilities</b>		<b><u>1,175,589</u></b>	<b><u>1,062,542</u></b>	<b><u>901,030</u></b>	<b><u>888,121</u></b>

The notes on pages 7 to page 17 are an integral part of these consolidated financial statements.

## Income statement

*Unaudited figures. All amounts in Euro thousands.*

	Note	Consolidated		Company	
		1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
Revenue	9	13,021	9,657	10,114	7,963
Cost of sales		(9,375)	(5,820)	(6,565)	(4,223)
<b>Gross profit</b>		<b>3,646</b>	<b>3,838</b>	<b>3,549</b>	<b>3,740</b>
Net gain from fair value adjustment on investment property		79,935	43,992	7,175	16,668
Selling and marketing costs		(60)	(14)	(58)	(14)
Administrative expenses		(1,612)	(1,749)	(1,645)	(1,684)
Other gains / (expenses) - net		(383)	(183)	(326)	(185)
<b>Operating profit</b>		<b>81,527</b>	<b>45,883</b>	<b>8,695</b>	<b>18,524</b>
Gain / (Loss) from investment in subsidiary		-	-	2,374	(702)
Finance expenses (net)		(5,523)	(5,007)	(3,623)	(4,195)
<b>Profit before income tax</b>		<b>76,004</b>	<b>40,877</b>	<b>7,446</b>	<b>13,627</b>
Income tax expense		(17,081)	(10,477)	(3,167)	(4,919)
<b>Profit for the period</b>		<b>58,923</b>	<b>30,400</b>	<b>4,279</b>	<b>8,708</b>
<b>Attributable to:</b>					
Equity holders of the Company		58,860	30,364	4,279	8,708
Minority interest		62	36	-	-
		<u>58,923</u>	<u>30,400</u>	<u>4,279</u>	<u>8,708</u>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)</b>					
	10	<u>1.73</u>	<u>0.89</u>	<u>0.13</u>	<u>0.26</u>

The notes on pages 7 to page 17 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		
<b>Balance at 1 January 2006</b>	46,832	23,053	394,872	7,868	<b>472,626</b>
Profit for the period	-	-	58,860	62	58,923
<b>Balance at 31 March 2006</b>	<b>46,832</b>	<b>23,053</b>	<b>453,733</b>	<b>7,931</b>	<b>531,548</b>

### Consolidated statement of changes in equity

	Attributable to equity holders of the Group			Minority interest	Total equity
	Share capital	Other reserves	Retained earnings		
<b>Balance at 31 December 2004</b>	46,832	23,642	279,166	4,194	<b>353,835</b>
Effect of adopting IAS 32 & 39	-	-	1,114	3	1,118
<b>Balance at 1 January 2005</b>	46,832	23,642	280,280	4,197	<b>354,952</b>
Profit for the period	-	-	30,364	36	30,400
Business combinations	-	-	-	106	106
<b>Balance at 31 March 2005</b>	<b>46,832</b>	<b>23,642</b>	<b>310,644</b>	<b>4,340</b>	<b>385,458</b>
Profit for the period	-	-	90,425	3,529	93,954
Transfer to statutory reserve	-	578	(578)	-	-
Transfer to special - untaxed reserve	-	(1,168)	1,168	-	-
Dividend relating to 2004	-	-	(6,786)	-	(6,786)
<b>Balance at 31 December 2005</b>	<b>46,832</b>	<b>23,053</b>	<b>394,872</b>	<b>7,868</b>	<b>472,626</b>

### Company Statement of changes in equity

	Attributable to equity holders of the Company			Total equity
	Share capital	Other reserves	Retained earnings	
<b>Balance at 1 January 2006</b>	46,832	25,244	318,737	<b>390,813</b>
Profit for the period	-	-	4,279	4,279
<b>Balance at 31 March 2006</b>	<b>46,832</b>	<b>25,244</b>	<b>323,016</b>	<b>395,092</b>

### Company Statement of changes in equity

	Attributable to equity holders of the Company			Total equity
	Share capital	Other reserves	Retained earnings	
<b>Balance at 31 December 2004</b>	46,832	25,044	256,344	<b>328,220</b>
Effect of adopting IAS 32 & 39	-	-	1,108	1,108
<b>Balance at 1 January 2005</b>	46,832	25,044	257,452	<b>329,328</b>
Profit for the period	-	-	8,708	8,708
<b>Balance at 31 March 2005</b>	<b>46,832</b>	<b>25,044</b>	<b>266,159</b>	<b>338,036</b>
Profit for the period	-	-	59,563	59,563
Transfer to statutory reserve	-	199	(199)	-
Dividend relating to 2004	-	-	(6,786)	(6,786)
<b>Balance at 31 December 2005</b>	<b>46,832</b>	<b>25,244</b>	<b>318,737</b>	<b>390,813</b>

The notes on pages 7 to Page 17 are an integral part of these consolidated financial statements.

## Cash flow statement

*Unaudited figures. All amounts in Euro thousands.*

### Cash flow statement

	Note	Consolidated		Company	
		1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
<b>Cash flows from operating activities</b>					
Cash generated from operations	11	(18,632)	(20,579)	(5,009)	12,195
Interest paid		(6,908)	(5,059)	(5,004)	(4,176)
Income tax paid		(2,700)	(1,368)	(2,562)	(1,287)
<b>Net cash generated from operating activities</b>		<b>(28,240)</b>	<b>(27,006)</b>	<b>(12,575)</b>	<b>6,732</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiary, net of cash acquired		-	(10,572)	-	(10,572)
Additions in investment property (acquisitions & development)		(40,643)	(7,385)	(1,230)	(7,385)
Proceeds from sale of investment property	5	850	-	-	-
Additions in property, plant and equipment & intangible assets		(71)	(3,451)	(71)	(2,600)
Interest inflow		2	75		2
Decrease of other short - term assets		-	(13)	-	(13)
<b>Net cash used in investing activities</b>		<b>(39,862)</b>	<b>(21,346)</b>	<b>(1,301)</b>	<b>(20,568)</b>
<b>Cash flows from financing activities</b>					
Inflows (outflows) - derivatives		76		76	
Borrowings inflows		62,521	30,500	28,987	-
Borrowings payback		(16,535)	(9,760)	(16,098)	(9,185)
Dividends paid to the Company's shareholders		(11)	(347)	(11)	(347)
<b>Net cash used in financing activities</b>		<b>46,051</b>	<b>20,392</b>	<b>12,953</b>	<b>(9,533)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>					
		<b>(22,051)</b>	<b>(27,960)</b>	<b>(923)</b>	<b>(23,369)</b>
Cash and cash equivalents at beginning of the period		50,104	75,744	9,615	49,394
<b>Cash and cash equivalents at end of the period</b>		<b>28,054</b>	<b>47,784</b>	<b>8,691</b>	<b>26,025</b>

The notes on pages 7 to Page 17 are an integral part of these consolidated financial statements.

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## Notes to the financial statements

### 1 General information

The interim 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 period ended 31 March 2006 under the International Financial Reporting Standards (“IFRS”).

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

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

The company website is [www.babisvovos.com](http://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 2006 have been approved for issue by the Board of Directors on May 26<sup>th</sup>, 2006.

### 2 Basis of preparation

These interim financial statements for the Company and the Group refer to the three months ended 31 March 2006. They have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), including the International Accounting Standard (“IAS”) 34 - Interim Financial Statements.

The interim consolidated financial statements for the three months ended 31 March 2006 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 2005.

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 2005 which are published to the Company’s website.

### 3 New standards, interpretations and amendments to published standards

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 January 2006 or later periods. The new standards, interpretations and amendments that affect the Group and the Company since their adoption are as follows:

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)**

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. IFRS 7 replaces IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions", and disclosure requirements in IAS 32 "Financial Instruments: Disclosure and Presentation." It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group and the Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

## 4 Segment Reporting

### 4.1 Primary reporting format – business segments

At 31<sup>st</sup> March 2006, 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 2006 are as follows:

*Unaudited figures. All amounts in Euro thousands.*

	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Unallocated</b>	<b>Group</b>
Revenue	2,436	460	10,124	-	13,021
Operating profit / loss	(1,155)	79	84,656	(2,053)	81,527
Finance expense (net)	-	-	-	-	(5,523)
<b>Profit / (loss) before income tax</b>	<b>(1,155)</b>	<b>79</b>	<b>84,656</b>	<b>(2,053)</b>	<b>76,004</b>
Income tax expense	-	-	-	-	(17,081)
<b>Profit / (loss) for the year</b>	<b>(1,155)</b>	<b>79</b>	<b>84,656</b>	<b>(2,053)</b>	<b>58,923</b>

The segment results for the period ended 31 March 2005 are as follows:

	<b>Development &amp; Sale of property</b>	<b>Construction Work</b>	<b>Property Leases</b>	<b>Unallocated</b>	<b>Group</b>
Revenue	-	431	9,226	-	9,657
Operating profit / loss	-	123	47,620	(1,859)	45,883
Finance expense (net)	-	-	-	-	(5,007)
<b>Profit / (loss) before income tax</b>	<b>-</b>	<b>123</b>	<b>47,620</b>	<b>(1,859)</b>	<b>40,877</b>
Income tax expense	-	-	-	-	(10,477)
<b>Profit / (loss) for the year</b>	<b>-</b>	<b>123</b>	<b>47,620</b>	<b>(1,859)</b>	<b>30,400</b>

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

*Unaudited figures. All amounts in Euro thousands.*

	Period ended 31 March 2006				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	-	-	(4,400)	-	(4,400)
Net gain from fair value adjustment on investment property	-	-	79,935	-	79,935

	Period ended 31 March 2005				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease expense	-	-	(4,295)	-	(4,295)
Net gain from fair value adjustment on investment property	-	-	43,992	-	43,992

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 31 March 2006 are as follows:

	31 March 2006				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	97,822	2,331	1,007,039	68,396	1,175,589
Total Liabilities	128,286	31	360,510	155,213	644,040

The segment assets and liabilities at 31 December 2005 are as follows:

*Unaudited figures. All amounts in Euro thousands.*

	31 December 2005				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	184,468	1,945	813,656	62,473	1,062,542
Total Liabilities	101,748	6	321,140	167,022	589,917

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.

## 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
<b>At beginning of period (01.01.2005)</b>	624,951	535,286
Additions in investment property	7,385	7,385
Transfer from inventory	20,913	2,513
Net gain from fair value adjustments on investment property	43,992	16,668
<b>At end of period (31.03.2005)</b>	<b>697,241</b>	<b>561,852</b>
Additions in investment property	27,734	21,618
Transfer from property, plant and equipment	31,198	9,037
Transfer from inventory	3,488	-
Net gain from fair value adjustments on investment property	144,722	115,562
<b>At end of period (31.12.2005)</b>	<b>904,383</b>	<b>708,069</b>
Additions in investment property	40,643	1,230
Transfer from property, plant and equipment	(2,168)	3,820
Transfer from inventory	1	-
Disposal	(1,476)	-
Net gain from fair value adjustments on investment property	79,935	7,175
<b>At end of period (31.03.2006)</b>	<b>1,021,319</b>	<b>720,294</b>

The fair market value of Investment property was re-measured and adjusted at 31 December 2005 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.

### *Additions to investment property*

During the first quarter of 2006, an additional part (second floor offices) of the building developed in a property acquired by the Group (through the acquisition of the owner company) located in Maroussi (49 Kifissias Av.) was completed. For this new part completed, a sale and leaseback agreement of approximately € 5 million was signed by the Group.

The completion of the above part had a positive contribution of approximately € 7.2 million in the Group's result before deferred tax during the first quarter of 2006 based on the valuation performed by the independent appraiser as per 31<sup>st</sup> March 2006.

Investment property also includes the right to use (Build Operate Transfer) a building complex owned by Rizarios Ecclesiastical School (R.E.S.) for 49 years. The Group has entered into an agreement with R.E.S. according to which, the Group has constructed two building complexes of total above ground area 24,213 sqm (Building Complex I: 9,640 sqm, Building complex II: 14,573 sqm with respective parking stations). According to the same agreement, the building complex I is becoming ownership of R.E.S. while the building complex II is becoming ownership of the Group through a contract of exchange of land for built area. The latter is included in the Investment property under construction (see below). The Group has entered into an operational lease agreement of 49 years for the Building complex I which was delivered to R.E.S at the beginning of 2006. The right to use buildings through operational lease agreements can be classified and treated as investment property (when the provisions of IAS 17 par. 19 and IAS 40 par. 6 are fulfilled). Consequently, the aforementioned right to use the building complex I was classified as investment property and recognised in the Balance Sheet at its

fair value based on the valuation performed by the independent appraiser as per 1<sup>st</sup> February 2006. The above right was treated as financial lease (based on the provisions of IAS 17 paragraph 19). For the calculation of the revaluation surplus, the value of the financial lease (present value of the minimum lease payments to R.E.S.) was deemed as cost. The respective liability has been included in the financial statements and is classified as borrowings. The revaluation surplus (difference between fair value and cost as described above) amounting to € 72.8 million was recognised in the income statement of the period. The Group has already subleased approximately 60% of the lettable area of the building complex I.

*Investment property under construction*

Delta Falirou

BVIC continues at a fast pace the construction of Building Complex II in Delta Falirou. During 2005, the Group signed a sale and leaseback agreement of € 59 million covering 94% of the lettable area and 100% of the parking spaces of the property. With the completion of the project, which is expected during the second quarter of 2006, it will be adjusted to fair value.

Sounio

BVIC Group has already received all the necessary permits from the Greek National Tourist Organisation (GNTO) and is thus ready to apply for a new building permit for the development of three distinct hotel units, with a total above ground area of 12,000 sqm. The building permit is expected to be issued within 2006. 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.

In the income statement, direct operating expenses include € 11 thousand relating to investment property that was vacant.

Investment property includes buildings valued at € 892,260 thousand (including the Build Operate Transfer of building complexes Ethnikis Antistaseos and Delta Falirou I), held under sale and leaseback agreements, of which the remaining obligations are € 317,257 thousand. (For 31.12.2005: buildings valued at € 768,868 thousand (including the Build Operate Transfer of building complexes Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 295,268 thousand).

## 6 Borrowings

*Unaudited figures. All amounts in Euro thousands.*

	Consolidated		Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
<b>Non - current</b>				
Bank Borrowings	21,136	30,935	21,136	30,935
Finance lease liabilities	365,187	310,337	270,886	249,519
	<u>386,323</u>	<u>341,271</u>	<u>292,021</u>	<u>280,454</u>
<b>Current</b>				
Bank Borrowings	57,910	57,856	29,252	28,844
Finance lease liabilities	16,762	15,882	15,517	14,605
	<u>74,672</u>	<u>73,737</u>	<u>44,770</u>	<u>43,448</u>
<b>Total borrowings</b>	<u>460,995</u>	<u>415,008</u>	<u>336,791</u>	<u>323,902</u>

All the Group's borrowings are in Euro and at floating and fixed rates of interest.

The average effective interest rate at 31 March 2006 was 5.73% for bank borrowings and 5.31% for finance lease liabilities. The average effective interest rate at 31 March 2006 for total borrowings (including finance lease liabilities) was 5.38%. The fair value of these floating rate borrowings at 31 March 2006 approximated their carrying values.

Due to the interest rate swap signed by the Group during the first quarter of 2006 for approximately 82% of the above finance lease liabilities (see Derivatives), the rate for calculating the interest payable for these liabilities is 5.29% up to the maturity and repayment of the respective agreements.

For securing liabilities, guarantees over the investment property, the property plant equipment and the inventories amounting to € 103,741 thousand for the Group and € 58,498 thousand for the company respectively have been given.

## 7 Deferred income tax

Deferred income tax is determined by using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets 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.*

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2006</b>	<b>31 December 2005</b>	<b>31 March 2006</b>	<b>31 December 2005</b>
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	132,585	115,505	95,877	92,710
	<u>132,585</u>	<u>115,505</u>	<u>95,877</u>	<u>92,710</u>

The total movement in deferred income tax is presented below:

*Unaudited figures. All amounts in Euro thousands.*

	<b>Consolidated</b>	<b>Company</b>
Balance at 1 January 2005	67,497	58,925
Debit / (credit) in the income statement	10,340	4,834
Acquisition of subsidiary	3,505	-
Balance at 31 March 2005	<u>81,341</u>	<u>63,759</u>
Debit / (credit) in the income statement	34,163	28,951
Balance at 31 December 2005	<u>115,505</u>	<u>92,710</u>
Debit / (credit) in the income statement	17,081	3,167
Balance at 31 March 2006	<u>132,585</u>	<u>95,877</u>

The movement in deferred tax assets and liabilities during the period relates mainly to increases in the fair value of investment property.

*Unaudited figures. All amounts in Euro thousands.*

**Consolidated**

<b>Deferred Tax Liabilities</b>	Investment property to fair value	<b>Total</b>
<b>Balance 01.01.2005</b>	<b>116,192</b>	<b>116,192</b>
Debit / (credit) in the income statement	9,669	9,669
Acquisition of subsidiary	3,865	3,865
<b>Balance 31.03.2005</b>	<b>129,727</b>	<b>129,727</b>
Debit / (credit) in the income statement	38,791	38,791
<b>Balance 31.12.2005</b>	<b>168,518</b>	<b>168,518</b>
Debit / (credit) in the income statement	16,344	16,344
<b>Balance 31.03.2006</b>	<b>184,862</b>	<b>184,862</b>

**Consolidated**

<b>Deferred Tax Assets</b>	Finance leases	Reversal of profit from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	<b>Total</b>
<b>Balance 01.01.2005</b>	<b>(41,834)</b>	<b>(6,379)</b>	<b>(140)</b>	<b>(342)</b>	-	<b>(48,695)</b>
Debit / (credit) in the income statement	678	-	-	(8)	-	671
Acquisition of subsidiary	-	-	(361)	-	-	(361)
<b>Balance 31.03.2005</b>	<b>(41,156)</b>	<b>(6,379)</b>	<b>(501)</b>	<b>(350)</b>	-	<b>(48,386)</b>
Debit / (credit) in the income statement	(9,112)	6,379	138	(34)	(2,000)	(4,628)
<b>Balance 31.12.2005</b>	<b>(50,268)</b>	-	<b>(363)</b>	<b>(384)</b>	<b>(2,000)</b>	<b>(53,014)</b>
Debit / (credit) in the income statement	694	-	2	(15)	56	737
<b>Balance 31.03.2006</b>	<b>(49,573)</b>	-	<b>(361)</b>	<b>(398)</b>	<b>(1,944)</b>	<b>(52,276)</b>

Company	Investment property to fair value		Total
	value		
<b>Deferred Tax Liabilities</b>			
<b>Balance 01.01.2005</b>	<b>99,804</b>		<b>99,804</b>
Debit / (credit) in the income statement	4,167		4,167
<b>Balance 31.03.2005</b>	<b>103,971</b>		<b>103,971</b>
Debit / (credit) in the income statement	31,414		31,414
<b>Balance 31.12.2005</b>	<b>135,385</b>		<b>135,385</b>
Debit / (credit) in the income statement	1,794		1,794
<b>Balance 31.03.2006</b>	<b>137,179</b>		<b>137,179</b>

Company	Finance leases	Reversal of profit from sale of property under preliminary agreements	Intangible assets	Provision for employees retirement benefit based on actuarial study	Other	Total
<b>Deferred Tax Assets</b>						
<b>Balance 01.01.2005</b>	<b>(38,234)</b>	<b>(2,193)</b>	<b>(140)</b>	<b>(311)</b>	-	<b>(40,879)</b>
Debit / (credit) in the income statement	674	-	-	(7)	-	667
<b>Balance 31.03.2005</b>	<b>(37,560)</b>	<b>(2,193)</b>	<b>(140)</b>	<b>(319)</b>	-	<b>(40,212)</b>
Debit / (credit) in the income statement	(4,408)	2,193	138	(32)	(355)	(2,463)
<b>Balance 31.12.2005</b>	<b>(41,968)</b>	-	<b>(2)</b>	<b>(351)</b>	<b>(355)</b>	<b>(42,675)</b>
Debit / (credit) in the income statement	1,124	-	2	(13)	261	1,373
<b>Balance 31.03.2006</b>	<b>(40,844)</b>	-	<b>(0)</b>	<b>(364)</b>	<b>(94)</b>	<b>(41,302)</b>

The adjustments incurring deferred income tax are not expected to be reversed within the next 12 months.

There are no significant unrecognised deferred tax assets and liabilities.

## 8 Derivatives

During 2005, the Company signed an interest rate swap. According to its terms, the company receives a prepayment of € 7,200 thousand which actually is the interest calculated on a notional principal of € 72,000 thousand. The Company has the obligation to pay 8 six-monthly instalments commencing on June 15<sup>th</sup> 2006. The instalments are calculated as interest on the notional principal with an interest rate based on the 5-year EUR swap rate (5y CMS).

At 31 March 2006, the fair value of the interest rate swap was € 7,550 thousand (31.12.2005: € 7,970 thousand) and a finance income of € 420 thousand was recognised in the income statement.

During the first quarter of 2006, following an extensive review of the financial cost structure of its sale and leaseback and Build Operate Transfer (BOT) portfolio, the Group decided to enter into a floating-to-fixed interest rate swap with Credit Suisse for the entire above portfolio in order to “lock” its financing cost.

The initial principal at the date of the agreement was amounting to € 336 million with a total duration of over 15 years. As a result of this transaction, the total cost of our current SLB and BOT portfolio included in the interest rate swap, was set at 5.29%.

The valuation of the interest rate swap agreement as per 31 March 2006 resulted in finance income amounting to € 880 thousand, which was recognised at the income statement for the period.

## 9 Revenue

*Unaudited figures. All amounts in Euro thousands.*

	Consolidated		Company	
	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
Rental income	10,124	9,226	8,034	7,531
Sale of property	2,436	-	1,586	-
Construction work	460	431	461	431
Other	-	-	32	1
	<u>13,021</u>	<u>9,657</u>	<u>10,114</u>	<u>7,963</u>

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

## 10 Earnings per share

*Unaudited figures. All amounts in Euro thousands.*

	Consolidated		Company	
	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
Net profit attributable to shareholders	58,860	30,364	4,279	8,708
Weighted average number of ordinary shares in issue (thousands)	<u>33,930</u>	<u>33,930</u>	<u>33,930</u>	<u>33,930</u>
Basic earnings per share (€ per share)	<u>1.73</u>	<u>0.89</u>	<u>0.13</u>	<u>0.26</u>

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.

## 11 Cash generated from operations

*Unaudited figures. All amounts in Euro thousands.*

	Consolidated		Company	
	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
Net profit	58,923	30,400	4,279	8,708
Adjustments for:				
– income tax expense	17,081	10,477	3,167	4,919
– depreciation and amortisation	152	302	126	277
– (profit) / loss on sale of investment property	626	-	-	-
– net gain from fair value adjustment on investment property	(79,935)	(43,992)	(7,175)	(16,668)
– Increase in retirement provision	61	32	53	29
– Increase (decrease) in provision for litigation and claims	(40)	-	203	-
– interest expense - net	5,523	5,007	3,623	4,195
– dividend (income) / loss	-	-	(2,374)	702
Changes in working capital:				
– trade and other receivables	(2,749)	10,358	(4,926)	11,106
– inventories	694	(2,640)	323	(891)
– payables	(18,968)	(30,523)	(2,309)	(183)
Cash generated from operations	(18,632)	(20,579)	(5,009)	12,195

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

	Consolidated		Company	
	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005	1/1/2006 - 31/3/2006	1/1/2005 - 31/3/2005
Cost of investment property sold	1,476	-	-	-
Profit / (loss) on sale of investment property	(626)	-	-	-
Proceeds from sale of investment property	850	-	-	-

## 12 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 has given guarantees in the ordinary course of business amounting to € 4,005 thousand to third parties concerning securing liabilities and fair execution.

At 31 March 2006, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 3,825 thousand for which a provision of € 1,139 thousand 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.

