



Eurobank Properties REIC

CONDENSED COMPANY INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2006

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All amounts expressed in €000s unless otherwise stated

Parent Company's balance sheet

	Notes	31/03/2006	31/12/2005
ASSETS			
<i>Non-current assets</i>			
Investment property	4	213,417	213,417
Property, plant and equipment	5	56,030	54,804
Other non-current assets		89	89
		269,536	268,310
<i>Current assets</i>			
Trade and other receivables		5,675	4,500
Cash and cash equivalents		37,072	37,982
		42,747	42,482
Total assets		312,283	310,792
Shareholders' equity and liabilities			
<i>Capital and reserves</i>			
Share capital	6	40,235	40,235
Share premium	6	153,082	153,923
Other reserves		3,370	3,370
Retained earnings		64,376	61,440
Total shareholders' equity		261,063	258,968
Deferred income		283	290
<i>Non-current liabilities</i>			
Borrowings, including finance leases		40,330	41,149
		40,330	41,149
<i>Current liabilities</i>			
Trade and other payables		4,217	4,106
Dividends payable		2,954	2,954
Current income tax liabilities		1,353	1,648
Borrowings, including finance leases		2,083	1,677
		10,607	10,385
Total liabilities		51,220	51,824
Total shareholders' equity and liabilities		312,283	310,792

All amounts expressed in €000s unless otherwise stated

Parent Company's Income Statement

	Note	1/1/-31/03/2006	1/1 - 31/03/2005
Revenue		4,318	4,134
Net gain from fair value adjustment on investment property	4	(110)	(418)
Repair and maintenance costs		(14)	(18)
Management fee		(406)	(388)
Other direct property relating expenses		(98)	(135)
Employee benefit expense		(92)	(38)
Depreciation of property, plant and equipment	5	(14)	(12)
Interest income		260	36
Other income		19	41
Other expenses		(341)	(65)
Operating profit		3,522	3,137
Finance costs		(408)	(916)
Profit before income tax		3,114	2,221
Income tax expense	7	(232)	(1,179)
Profit for the period		2,882	1,042

All amounts expressed in €000s unless otherwise stated

Parent company statement of changes in shareholders' equity

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2005		14,991	20,303	2,925	38,753	76,972
Profit for the period		-	-	-	1,042	1,042
Balance at 31 March 2005		14,991	20,303	2,925	39,795	78,014
Balance at 1 January 2006		40,235	153,923	3,370	61,440	258,968
Profit for the period		-	-	-	2,882	2,882
Incremental costs associated with contemplated domestic offering	6	-	(841)	-	54	(787)
Balance at 31 March 2006		40,235	153,082	3,370	64,376	261,063

All amounts expressed in €000s unless otherwise stated

Company's cash flow statement

	Notes	1/1-31/03/2006	1/1 - 31/03/2005
Cash flows from operating activities			
Cash generated from operations	8	2,303	2,907
Income taxes paid		(469)	-
Interest paid		(400)	(912)
Net cash from operating activities		1,434	1,995
Cash flows from investing activities			
Capital expenditure on investment properties	4	(110)	(418)
Purchases of Property, plant and equipment	5	(7)	-
Purchases of investment properties under development	5	(1,233)	-
Interest received		260	35
Net cash used in investing activities		(1,090)	(383)
Cash flows from financing activities			
Incremental costs associated with contemplated domestic offering		(841)	-
Repayments of borrowings, including overdrafts		(413)	(99)
Net cash used in financing activities		(1,254)	(99)
Net (decrease) / increase in cash and cash equivalents for the period		(910)	1,513
Cash and cash equivalents at the beginning of the period		37,982	10,262
Cash and cash equivalents at the end of the period		37,072	11,775

Notes to the Financial Statements

All amounts expressed in €000s unless otherwise stated

1 General information

Eurobank Properties Real Estate Investment Company (previously known as EFG Eurobank Properties S.A.) (the “Company”) is an investment property company with a major portfolio in Greece. It is currently involved in leasing out investment property under operating leases and is classified as a real estate investment vehicle under Greek Law 2778/1999 with effect from 29 September 2005.

The Company is incorporated and domiciled in Athens, Greece. The address of its registered office is 16, Laodikeias Street, Athens, Greece.

The regulatory regime governing real estate investment vehicles, inter alia, requires that the Company (a) invests at least 80% of its assets in cash and cash equivalents and in real estate investments which should be located mainly in Greece and other E.U. member states, (b) maintains at least 10% of its assets in cash and cash equivalents and (c) does not have any significant concentrations of risks with respect to any particular real estate asset.

The Company enjoys certain tax privileges as a real estate investment vehicle (see Note 7).

These financial statements have been approved for issue by the Board of Directors on 15 May 2006.

2 Summary of significant accounting policies

The same accounting policies and methods of computation are followed in these condensed company interim financial statements as those in the published company annual financial statements for the year ended December 31, 2005.

2.1 Basis of preparation

These condensed company interim financial statements have been prepared in accordance with International Financial Reporting Standard (IAS) 34 “Interim Financial Reporting” and they should be read in conjunction with the Company’s published financial statements for the year ended December 31, 2005.

3 Critical accounting estimates and judgements

In preparing these condensed company interim financial statements, the significant judgements made by the Management in applying the Company’s accounting policies and their key sources of estimation uncertainty were the same as those applied to the published annual company financial statements for the year ended December 31, 2005.

Notes to the Financial Statements

All amounts expressed in €000s unless otherwise stated

3 Investment Property

	31/03/2006
At beginning of period	213,417
Additions	110
Disposals	-
Net gain from fair value adjustments	(110)
At end of period	213,417

4 Property, Plant and Equipment

	Land and buildings	Fixtures and equipment	Property under development	Total
At 1 January 2006				
Cost	1,214	296	53,488	54,998
Accumulated depreciation	(52)	(142)	-	(194)
Net book amount	1,162	154	53,488	54,804
Period ended 31 March 2006				
Opening net amount at 1 January 2006	1,162	154	53,488	54,804
Additions	-	7	1,233	1,240
Depreciation charge	(7)	(7)	-	(14)
Closing net book amount at 31 March 2006	1,155	154	54,721	56,030
At 31 March 2006				
Cost	1,214	303	54,721	56,238
Accumulated depreciation	(59)	(149)	-	(208)
Net book amount	1,155	154	54,721	56,030

5 Share Capital

The par value of the Company's shares is €2.13 per share. All shares are fully paid. The movement of the share capital and the share premium is as follows:

	Number of shares (thousands)	Ordinary shares	Share premium	Total
At 1 January 2006	18,890	40,235	153,923	194,158
Incremental costs associated with domestic offering	-	-	(841)	(841)
At 31 March 2006	18,890	40,235	153,082	193,317

Notes to the Financial Statements

All amounts expressed in €000s unless otherwise stated

6 Income tax expense

Following the change in the Company's legal status to a real estate investment vehicle, its taxable income is with effect from 29 September 2005 determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 0.3% and not by reference to taxable profits.

7 Cash generated from operations

	Note	1/1 - 31/03/2006	1/1 - 31/03/2005
Profit for the period		2,882	1,042
Adjustments for:			
Other gains and losses		(19)	(41)
Interest income		(260)	(36)
Finance costs		408	916
Income tax expense		232	1,179
Depreciation of property, plant and equipment	5	14	12
Decrease in fair value of investment property	4	110	418
Operating cash flows before movements in working capital		3,367	3,490
(Increase) in receivables		(1,175)	(650)
Increase in payables		111	67
Cash generated from operations		2,303	2,907

8 Contingent Liabilities

The Company has not been subject to tax audit for the year ended 31 December 2005. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax year and that adequate provision for this contingency has been recognised in these financial statements.

The tax authorities issued final tax assessments for both the Company and Eldepa during November 2005 for additional income taxes, VAT and penalties totalling €3,320 for the open tax years to 31 December 2004. The Company's management, based on the advice of its tax advisors, will be disputing additional assessments of incomes taxes, VAT and penalties totalling €2,874 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation, whilst other amounts assessed totalling €446 will be accepted and settled in due course. No further provisions for the later amounts finally assessed by the tax authorities is necessary in these financial statements since adequate provision for such risks were recognised by management for each respective period in accordance with the Company's accounting policy.

9 Related Party Transactions

The Company is controlled by EFG Eurobank Ergasias (incorporated in Athens and listed on the Athens Stock Exchange, Greece), which owns 70.88% of the Company's shares. The remaining 13.20% and 15.29% of the shares are held by Lamda Development S.A. (a company controlled by the Latsis family) and REIB Europe Investments Ltd (a subsidiary of Deutsche Bank), respectively. The ultimate parent company of the Company is EFG Bank European Financial Group, a bank incorporated in Switzerland. All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Company.

Notes to the Financial Statements

All amounts expressed in €000s unless otherwise stated

The following transactions were carried out with related parties:

(a) Rental income received and sale of services

	1/1 - 31/03/2006	1/1 - 31/03/2005
Rental income received		
Parent (EFG Eurobank Ergasias S.A.)	824	801
Subsidiaries of parent company	11	11
Total	835	812

(b) Purchase of services and property development works

	1/1 - 31/03/2006	1/1 - 31/03/2005
Management fees		
Parent (EFG Eurobank Ergasias S.A.)	341	326
Property development works		
Subsidiary of ultimate parent company (Lamda Estate Development)	15	418
Σύνολο	356	744

Management fees represent amounts payable to EFG Eurobank Ergasias for investment property management and other administrative services.

(c) Financing costs incurred on borrowings

	1/1 - 31/03/2006	1/1 - 31/03/2005
Bank Borrowings		
Parent (EFG Eurobank Ergasias S.A.)	10	291
Subsidiary of ultimate parent company (EFG Private Bank Luxemburg)		485
Obligations under finance leases		
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	355	104
Total	365	880

(d) Interest income earned on cash and cash equivalents

	1/1 - 31/03/2006	1/1 - 31/03/2005
Parent (EFG Eurobank Ergasias S.A.)	200	34

(e) Transfer under financing arrangements

	1/1 - 31/03/2006	1/1 - 31/12/2005
Net cash transfers in/(out) under financing arrangements		
Parent (EFG Eurobank Ergasias S.A.)	-	(64,819)
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(382)	23,950
Subsidiary of ultimate parent company (EFG Private Bank Luxemburg)	-	(45,000)
Total	(382)	(85,896)

Notes to the Financial Statements

All amounts expressed in €000s unless otherwise stated

(f) Key management compensation

	1/1 - 31/03/2006	1/1 - 31/03/2005
Salaries and other short-term employee benefits	20	-

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

	1/1 - 31/03/2006	1/1 - 31/12/2005
Trade receivables from related parties		
Parent (EFG Eurobank Ergasias S.A.)	-	-
Other related parties	164	923
Total	164	923

Trade payables to related parties		
Parent (EFG Eurobank Ergasias S.A.)	415	1,756
Other related parties	277	427
Total	692	2,183

Borrowings, including finance lease obligations		
Parent (EFG Eurobank Ergasias S.A.)	1,000	1,000
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	38,220	38,593
Total	39,220	39,593

Cash and cash equivalents		
Parent (EFG Eurobank Ergasias S.A.)	37,053	37,926
Total	37,053	37,926

(h) Commitments and Contingencies

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

10 Events after the balance sheet date

On April 4, 2006, the ATHEX Board of Directors approved the admission to trading of the 24,400,000 common registered shares of the Company, after it found out that the company's shares fulfil the adequate dispersion criterion. Out of the total number of shares to be admitted for trading, 7,290,066 shares were issued in the recent Public Offer (29/03/06-31/03/06) at an issue price of €15.60 per share. The date that the shares of Eurobank Properties started trading on Athens Exchange was April 12, 2006.

The net proceeds from the Public Offering amounted to €79,308 thousand (net of costs of approximately €6.649 thousand).

Following the listing of the the Company's shares, in April 2006, on the Athens Exchange, EFG Eurobank Ergasias S.A. owns 54.88%, Lamda Development S.A. 10.22% and REIB Europe Investments Ltd 5.03% of the Company's shares.