babis vovos

Babis Vovos International Construction S.A.

Interim Condensed Financial Statements for the six months ended 30 June 2007 under IAS 34

Index

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of BABIS VOVOS S.A.

Introduction

We have reviewed the accompanying condensed standalone and consolidated balance sheet of BABIS VOVOS SA (the "Company") as of 30 June 2007 and the related standalone and consolidated statements of income, changes in equity and cash flows for the six-month period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this standalone and consolidated condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting ('IAS 34'). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying standalone and consolidated condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our conclusion, we draw your attention to Note 15 of the interim financial information, which refers to the open tax years of the Group companies and to the fact that additional taxes and penalties may be imposed when the tax returns relating to these years are audited by the Tax Authorities.

PricewaterhouseCoopers .

Athens, 29 August 2007

Balance sheet

All amounts in Euro thousands

		Consolidated		Company	
	Note	30 June 2007	31 December 2006	30 June 2007	31 December 2006
ASSETS					
Non-current assets					
Investment property	5	1,202,624	1,194,706	790,331	785,039
Property, plant and equipment		24,326	24,450	15,330	15,372
Intangible assets		18,954	18,974	16,526	16,546
Investments		18	18	47,477	47,477
Other non-current receivables	6	302	259	114	71
		1,246,224	1,238,408	869,779	864,505
Current assets					
Inventories		19,063	29,120	15,607	25,354
Trade and other receivables	6	36,515	40,406	63,085	64,157
Cash and cash equivalents	7	45,061	71,509	26,719	46,627
		100,640	141,036	105,410	136,138
Total assets		**1,346,864**	**1,379,444**	**975,189**	**1,000,644**
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		469,077	467,487	273,717	271,609
		538,962	537,372	345,792	343,685
Minority interest		7,271	7,306	-	-
Total equity		**546,233**	**544,678**	**345,792**	**343,685**
LIABILITIES					
Non-current liabilities					
Borrowings	8	401,425	412,405	271,773	281,656
Deferred income tax liabilities	9	155,541	153,951	96,889	95,358
Retirement benefit obligations		1,905	1,797	1,692	1,617
Derivative liabilities	11	17,247	15,868	17,247	15,868
Other non-current liabilities	10	3,926	3,742	2,912	2,856
		580,045	587,763	390,514	397,356
Current liabilities					
Trade and other payables	10	97,522	103,410	150,430	149,897
Income tax		2,627	5,047	1,226	3,620
Borrowings	8	113,817	131,977	81,055	100,017
Dividend payable		2,627	2,628	2,627	2,628
Provisions for other liabilities & expenses		867	937	417	437
Derivative liabilities	11	3,127	3,004	3,127	3,004
		220,586	247,002	238,882	259,604
Total liabilities		**800,631**	**834,766**	**629,397**	**656,959**
Total equity and liabilities		**1,346,864**	**1,379,444**	**975,189**	**1,000,644**

The notes on pages 9 to page 26 are an integral part of these consolidated financial statements.

Income statement

All amounts in Euro thousands

		Consolidated		Company	
	Note	**1/1/2007 - 30/6/2007**	**1/1/2006 - 30/6/2006**	**1/1/2007 - 30/6/2007**	**1/1/2006 - 30/6/2006**
Revenue	12	66,310	23,970	59,013	19,085
Cost of sales		(43,552)	(16,976)	(40,970)	(12,652)
Gross profit		**22,758**	**6,994**	**18,043**	**6,433**
Net gain from fair value adjustment on investment property		-	137,599	-	6,766
Selling and marketing costs		(474)	(220)	(456)	(141)
Administrative expenses		(4,274)	(3,829)	(3,381)	(3,164)
Other gains / (expenses) - net		(368)	(561)	(177)	(308)
Operating profit		**17,642**	**139,984**	**14,029**	**9,586**
Gain / (Loss) from investment in subsidiaries		-	-	(1,057)	1,416
Finance expenses (net)		(14,498)	(12,514)	(9,334)	(8,754)
Profit before income tax		**3,144**	**127,470**	**3,638**	**2,248**
Income tax expense		(1,589)	(29,749)	(1,531)	(3,477)
Profit for the period		**1,555**	**97,721**	**2,108**	**(1,229)**
Attributable to:					
Equity holders of the Company		1,590	97,629	2,108	(1,229)
Minority interest		(35)	92	-	-
		1,555	97,721	2,108	(1,229)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)	13	**0.05**	**2.88**	**0.06**	**(0.04)**

The notes on pages 9 to page 26 are an integral part of these consolidated financial statements.

		Consolidated		Company	
	Note	**1/4/2007 - 30/6/2007**	**1/4/2006 - 30/6/2006**	**1/4/2007 - 30/6/2007**	**1/4/2006 - 30/6/2006**
Revenue	12	51,313	10,950	47,389	8,971
Cost of sales		(34,747)	(7,602)	(33,611)	(6,087)
Gross profit		**16,567**	**3,348**	**13,779**	**2,883**
Net gain from fair value adjustment on investment property		-	57,665	-	(410)
Selling and marketing costs		(417)	(160)	(417)	(83)
Administrative expenses		(2,884)	(2,217)	(2,086)	(1,519)
Other gains / (expenses) - net		(215)	(178)	(193)	18
Operating profit		**13,051**	**58,457**	**11,083**	**891**
Gain / (Loss) from investment in subsidiaries		-	-	285	(959)
Finance expenses (net)		(5,354)	(6,991)	(2,696)	(5,130)
Profit before income tax		**7,696**	**51,466**	**8,673**	**(5,198)**
Income tax expense		(964)	(12,668)	(1,043)	(310)
Profit for the period		**6,733**	**38,798**	**7,630**	**(5,509)**
Attributable to:					
Equity holders of the Company		6,755	38,769	7,630	(5,509)
Minority interest		(22)	30	-	-
		6,733	38,798	7,630	(5,509)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)	13	**0.20**	**1.14**	**0.22**	**(0.16)**

The notes on pages 9 to page 26 are an integral part of these consolidated financial statements.

Statement of changes in equity

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 2006	46,832	23,053	394,872	7,868	**472,626**
Profit for the period	-	-	97,629	92	97,721
Dividend relating to 2005	-	-	(13,572)	-	(13,572)
Business combinations	-	-	-	231	231
Balance at 30 June 2006	46,832	23,053	478,929	8,191	**557,005**
Profit for the period	-	-	(11,442)	(885)	(12,327)
Balance at 31 December 2006	46,832	23,053	467,487	7,306	**544,678**
Profit for the period	-	-	1,590	(35)	1,555
Balance at 30 June 2007	46,832	23,053	469,077	7,271	**546,233**

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 2006	46,832	25,244	318,737	**390,813**
Profit for the period	-	-	(1,229)	(1,229)
Dividend relating to 2005	-	-	(13,572)	(13,572)
Balance at 30 June 2006	46,832	25,244	303,936	**376,012**
Profit for the period	-	-	(32,327)	(32,327)
Balance at 31 December 2006	46,832	25,244	271,609	**343,685**
Profit for the period	-	-	2,108	2,108
Balance at 30 June 2007	46,832	25,244	273,717	**345,792**

The notes on pages 9 to page 26 are an integral part of these consolidated financial statements.

Cash flow statement

All amounts in Euro thousands

	Note	Consolidated 1/1/2007 - 30/6/2007	Consolidated 1/1/2006 - 30/6/2006	Company 1/1/2007 - 30/6/2007	Company 1/1/2006 - 30/6/2006
Cash flows from operating activities					
Cash generated from operations	14	21,481	(6,913)	20,950	312
Interest paid		(15,740)	(12,235)	(11,674)	(8,525)
Income tax paid		(2,420)	(4,070)	(2,394)	(3,133)
Net cash generated from operating activities		**3,321**	**(23,218)**	**6,881**	**(11,346)**
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		-	(22,464)	-	(22,825)
Additions in investment property (acquisitions & development)	5	(7,918)	(52,023)	(5,292)	(2,772)
Proceeds from sale of investment property	14	-	850	-	-
Additions in property, plant and equipment & intangible assets		(170)	(130)	(170)	(89)
Proceeds from sale of property, plant and equipment		0	94	0	1
Interest inflow		674	139	369	52
Net cash used in investing activities		**(7,413)**	**(73,533)**	**(5,092)**	**(25,633)**
Cash flows from financing activities					
Proceeds from disposal of other investments		-	91	-	-
Inflows / (outflows) - derivatives		4,765	(1,646)	4,765	(1,646)
Borrowings inflows		15,000	87,940	15,000	33,987
Borrowings payback		(45,205)	(28,706)	(44,012)	(28,172)
Increase / (Decrease) of other short - term financing		3,085	37,030	2,550	30,430
Dividends paid to the Company's shareholders		(2)	(12)	(2)	(12)
Net cash used in financing activities		**(22,356)**	**94,697**	**(21,698)**	**34,587**
Net increase / (decrease) in cash and cash equivalents		**(26,448)**	**(2,054)**	**(19,908)**	**(2,392)**
Cash and cash equivalents at beginning of the period		71,509	50,104	46,627	9,615
Cash and cash equivalents at end of the period	7	**45,061**	**48,051**	**26,719**	**7,222**

The notes on pages 9 to page 26 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 six months ended 30 June 2007.

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. Psichiko 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 six months ended 30 June 2007 have been approved for issue by the Board of Directors on August 29th, 2007.

2 Basis of preparation

These interim financial statements for the Company and the Group refer to the six months ended 30 June 2007. 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 six months ended 30 June 2007 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 2006.

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 2006 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 2007

IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to **IAS 1 - Presentation of Financial Statements: Capital Disclosures**

This standard and amendment introduces new disclosures relating to financial instruments. The Group will comply with the requirements of IFRS 7 in its annual financial statements for 2007 as is relevant and applicable.

Interpretations effective for 2007

IFRIC 7 - Applying the Restatement Approach under IAS 29

This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group companies operate in a hyperinflationary economy this interpretation does not affect the Group's financial statements.

IFRIC 8 - Scope of IFRS 2

This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group's financial statements.

IFRIC 9 - Reassessment of Embedded Derivatives

This interpretation requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation is not relevant to the Group's operations.

IFRIC 10 - Interim Financial Reporting and Impairment

This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group's financial statements for the current interim period.

Standards effective after 1 January 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.

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.

Interpretations effective after 1 January 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 13 – Customer loyalty programmes

This interpretation is effective for any opinions beginning on or after 1 July 2008 and clarifies the treatment of entities that grand loyalty awards, 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 30th June 2007, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

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

All amounts in Euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	43,018	364	22,928	-	66,310
Operating profit / (loss)	11,130	102	11,113	(4,702)	17,642
Finance expense (net)	-	-	-	-	(14,498)
Profit / (loss) before income tax	**11,130**	**102**	**11,113**	**(4,702)**	**3,144**
Income tax expense	-	-	-	-	(1,589)
Profit / (loss) for the period	**11,130**	**102**	**11,113**	**(4,702)**	**1,555**

The segment results for the period ended 30 June 2006 are as follows:

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	3,752	689	19,509	20	23,970
Operating profit / (loss)	(1,924)	125	146,368	(4,586)	139,984
Finance expense (net)	-	-	-	-	(12,514)
Profit / (loss) before income tax	**(1,924)**	**125**	**146,368**	**(4,586)**	**127,470**
Income tax expense	-	-	-	-	(29,749)
Profit / (loss) for the period	**(1,924)**	**125**	**146,368**	**(4,586)**	**97,721**

The segment results for the period from 1 April to 30 June 2007 are as follows:

All amounts in Euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	39,609	179	11,525	-	51,313
Operating profit / (loss)	10,588	45	5,502	(3,085)	13,051
Finance expense (net)	-	-	-	-	(5,354)
Profit / (loss) before income tax	**10,588**	**45**	**5,502**	**(3,085)**	**7,696**
Income tax expense	-	-	-	-	(964)
Profit / (loss) for the period	**10,588**	**45**	**5,502**	**(3,085)**	**6,733**

The segment results for the period from 1 April to 30 June 2006 are as follows:

All amounts in Euro thousands

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	1,316	229	9,385	20	10,950
Operating profit / (loss)	(769)	46	61,713	(2,533)	58,457
Finance expense (net)	-	-	-	-	(6,991)
Profit / (loss) before income tax	**(769)**	**46**	**61,713**	**(2,533)**	**51,466**
Income tax expense	-	-	-	-	(12,668)
Profit / (loss) for the period	**(769)**	**46**	**61,713**	**(2,533)**	**38,798**

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

All amounts in Euro thousands

	Period ended 30 June 2007				
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Lease rental	-	-	(8,469)	-	(8,469)
Provisions	-	-	-	(660)	(660)
Depreciation of property, plant and equipment	(24)	-	(173)	(49)	(246)
Amortisation of intangible assets	-	-	-	(24)	(24)

	Period ended 30 June 2006				
	Development & Sale of property	**Construction Work**	**Property Leases**	**Unallocated**	**Group**
Lease rental	-	-	(8,735)	-	(8,735)
Net gain from fair value adjustment on investment property	-	-	137,599	-	137,599
Provisions	-	-	-	(21)	(21)
Depreciation of property, plant and equipment	(103)	(8)	(151)	(44)	(306)
Amortisation of intangible assets	-	-	-	(22)	(22)

Period from 1 April to 30 June 2007

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	-	-	(4,189)	-	(4,189)
Provisions	-	-	-	(689)	(689)
Depreciation of property, plant and equipment	(21)	-	(87)	(25)	(133)
Amortisation of intangible assets	-	-	-	(12)	(12)

Period from 1 April to 30 June 2006

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	-	-	(4,336)	-	(4,336)
Net gain from fair value adjustment on investment property	-	-	57,665	-	57,665
Depreciation of property, plant and equipment	(62)	(4)	(75)	(23)	(164)
Amortisation of intangible assets	-	-	-	(11)	(11)

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

5 Investment property

All amounts in Euro thousands

	Consolidated	Company
At beginning of period (01.01.2006)	904,383	708,069
Acquisition of subsidiary	30,533	-
Additions in investment property	124,527	62,636
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	138,905	10,515
At end of period (31.12.2006)	**1,194,706**	**785,039**
Additions in investment property	7,918	5,292
At end of period (30.06.2007)	**1,202,624**	**790,331**

The fair market value of investment property was re-measured and adjusted at 31 December 2006 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. During the period ended 30 June 2007, no change has occurred to the Group's investment property portfolio concerning asset addition or asset disposal other than cost additions concerning the investment property under construction. Additionally, no change has occurred in the market during the first half of 2007 to justify significant differences in the fair value of the Group investment property as formally suggested by the independent professionally qualified valuer of Colliers International. The above reasons have driven the Group not to proceed with an updated report of investment property valuation as at 30 June 2007.

Additions to investment property

During the period ended at 30 June 2007, no investment property under construction was completed (for the Investment property under construction see below).

During the period ended at 30 June 2006, net gain from fair value adjustment on investment property had reached € 137.6 million (based on valuation performed by the independent appraiser) and referred to:

- € 6.8 million due to the completion of an additional part (second floor offices) of the building developed in Maroussi (49 Kifissias Av.) and to the sale and leaseback agreement of approximately € 5 million signed by the Group for the aforementioned part.

- € 58.1 million due to the completion of parking station and the first building (K3) of the building complex II located at Delta Falirou. During 2005, the Group had signed a sale and leaseback agreement of € 59 million covering 94% of the lettable area of the building complex II (buildings K3 and K4) and 100% of the parking spaces of the property.

- € 72.8 million due to fair value adjustment of the right to use the building complex I located at Delta Falirou, owned by Rizarios Ecclesiastical School (R.E.S.), for 49 years. 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.

Investment property under construction

Sounio

BVIC Group has already received all the necessary permits from the Greek National Tourist Organisation (GNTO) and has prepared and submitted all the necessary data and documents for the issuance of new building permits for the development of three distinct hotel units, with a total above ground area of 12,000 sqm. During August 2007, the building permit of hotel unit B (over the ground surface 5,500 sqm) was issued while the issuance of the respective building permits for the hotel units A and C is expected during 2007. 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

During 2006, the Group acquired a property in Athens located at 340 Syggrou Avenue (through the acquisition of a company), which is included in investment property. Excavation works have been completed and the construction of an office and retail building with above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm and 393 parking spaces has 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, and, currently, the stage of walls and reinforcing the structural frame has been completed. The fair market value of the land plots and the hotel unit as well as the construction costs as per 30 June 2007 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. The excavation works permit has also been issued and the respective works are on process with the intention of initiating the construction of a shopping mall with 70,000 sqm of gross lettable area. The respective building permit is expected to be issued during the first half of 2008.

During January 2007, the subsidiary "Babis Vovos International Construction S.A. and Co GP" received the compensation amounting to € 2,430 thousand from Alpha Insurance. This compensation refers to the restoration costs incurred due to the damages caused by the fire eruption to part of the Building Complex II at Delta Falirou (Building K4 – floors A & B), at July 31st, 2006. The actual restoration costs amounted to € 3,463 thousand. The loss amounting to € 1,033 thousand was recorded to the income statement of the fiscal year ended 31 December 2006.

At 30 June 2007, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 845,817 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 325,886 thousand. (For 31.12.2006: buildings valued at € 845,817 thousand held under sale and leaseback agreements of which the remaining obligations were € 334,326 thousand).

6 Trade and other receivables

All amounts in Euro thousands

	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Trade receivables	10,585	14,943	7,686	12,589
Prepaid expenses	6,308	7,084	4,495	5,029
Accrued income	-	2,430	-	
Receivables from subsidiaries (Note 16)	-	-	38,884	37,306
Receivables from other related parties (Note 16)	11,857	11,579	5,858	5,580
Advances	302	259	114	71
Other debtors	13,647	10,253	9,769	7,261
Less: provision for impairment of receivables	(5,882)	(5,882)	(3,607)	(3,607)
	36,818	40,665	63,199	64,228
Less non-current assets: advances	(302)	(259)	(114)	(71)
Current assets	36,515	40,406	63,085	64,157

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.

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.

During the period, no additional provision for impairment loss for trade accounts receivable was recognised by the Group and the Company.

7 Cash and cash equivalents

All amounts in Euro thousands

	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Cash on hand	131	142	72	81
Site deposits	14,807	14,513	13,647	6,546
Committed deposit accounts	30,123	56,854	13,000	40,000
Cash and cash equivalents	45,061	71,509	26,719	46,627

8 Borrowings

All amounts in Euro thousands

	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Non - current				
Bank Borrowings	44,668	47,102	24,668	27,102
Finance lease liabilities	356,758	365,303	247,106	254,553
	401,425	412,405	271,773	281,656
Current				
Bank Borrowings	95,617	113,146	65,666	84,093
Finance lease liabilities	18,200	18,831	15,390	15,925
	113,817	131,977	81,055	100,017
Total borrowings	**515,242**	**544,382**	**352,829**	**381,673**

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 30 June 2007 was 6.44% (31 December 2006: 6.09%) for bank borrowings. Due to the interest rate swap signed by the Group during the first quarter of 2006 for approximately 86% 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 the remaining finance lease liabilities, which are not included in the aforementioned interest rate swap agreement, the average weighted interest rate 30 June 2007 was 6.63% (31 December 2006: 6.56%).

The fair value of both the long-term and short-term borrowings at 30 June 2007 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 € 193,777 thousand (31 December 2006: € 164,368 thousand) for the Group and € 117,356 thousand (31 December 2006: € 92,426 thousand) for the company.
- the property plant equipment amounting to € 9,600 thousand (31 December 2006: 9,600 thousand) for the Group and 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 2006: 12,745 thousand) for the Group and the company.
- the inventories amounting to € 2,028 thousand (31 December 2006: 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:

All amounts in Euro thousands

	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	155,541	153,951	96,889	95,358
	155,541	153,951	96,889	95,358

The total movement in deferred income tax is presented below:

All amounts in Euro thousands

	Consolidated	Company
Balance at 1 January 2006	115,505	92,710
Debit / (credit) in the income statement	32,003	2,649
Acquisition of subsidiary	6,443	-
Balance at 31 December 2006	153,951	95,358
Debit / (credit) in the income statement	1,589	1,531
Balance at 30 June 2007	155,541	96,889

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:

All amounts in Euro thousands

Consolidated

Deferred Tax Liabilities	Investment property to fair value	**Total**
Balance 01.01.2006	**168,518**	**168,518**
Debit / (credit) in the income statement	28,176	28,176
Acquisition of subsidiary	6,447	6,447
Balance 31.12.2006	**203,141**	**203,141**
Debit / (credit) in the income statement	202	202
Balance 30.06.2007	**203,343**	**203,343**

Consolidated

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2006	**(50,268)**	**(363)**	**(384)**	**(193)**	**(1,807)**	**(53,014)**
Debit / (credit) in the income statement	6,613	10	(60)	(1,732)	(1,004)	3,827
Acquisition of subsidiary	-	(3)	-	-	-	(3)
Balance 31.12.2006	**(43,654)**	**(356)**	**(444)**	**(1,924)**	**(2,812)**	**(49,190)**
Debit / (credit) in the income statement	657	3	(25)	613	139	1,387
Balance 30.06.2007	**(42,997)**	**(353)**	**(469)**	**(1,311)**	**(2,673)**	**(47,803)**

Company

Deferred Tax Liabilities	Investment property to fair value	**Total**
Balance 01.01.2006	**135,385**	**135,385**
Debit / (credit) in the income statement	2,630	2,630
Balance 31.12.2006	**138,015**	**138,015**
Debit / (credit) in the income statement	0	0
Balance 30.06.2007	**138,015**	**138,015**

Company

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	**Total**
Balance 01.01.2006	**(41,968)**	**(2)**	**(351)**	**(193)**	**(162)**	**(42,675)**
Debit / (credit) in the income statement	2,596	6	(53)	(1,732)	(798)	19
Balance 31.12.2006	**(39,372)**	**5**	**(404)**	**(1,924)**	**(960)**	**(42,656)**
Debit / (credit) in the income statement	799	3	(19)	613	134	1,530
Balance 30.06.2007	**(38,574)**	**8**	**(423)**	**(1,311)**	**(826)**	**(41,126)**

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

10 Trade and other payables

All amounts in Euro thousands

	Consolidated		**Company**	
	30 June 2007	**31 December 2006**	**30 June 2007**	**31 December 2006**
Trade Payables	11,476	9,819	8,855	5,051
Amounts due to subsidiaries (Note 16)	-	-	39,650	35,950
Amounts due to other related parties (Note 16)	41,881	38,796	32,171	29,621
Social security and other taxes	3,268	2,637	1,571	1,035
Customer advances	23,704	41,204	23,571	40,945
Accrued expenses	4,973	3,631	32,445	29,984
Unearned and deferred income	11,767	7,259	11,767	7,259
Lease Guarantees	3,926	3,742	2,912	2,856
Other creditors	453	63	400	52
Trade and other Payables	101,448	107,152	153,342	152,753
Less long-term liabilities: lease guarantees	(3,926)	(3,742)	(2,912)	(2,856)
Short-term liabilities	97,522	103,410	150,430	149,897

Group and company trade and other payables are interest free.

11 Derivatives

All amounts in Euro thousands

	Consolidated		Company	
Interest rate swaps held for trading	**30 June 2007**	**31 December 2006**	**30 June 2007**	**31 December 2006**
Non-current liabilities	17,247	15,868	17,247	15,868
Current liabilities	3,127	3,004	3,127	3,004
	20,375	18,872	20,375	18,872

During February 2007, the Group, aiming at low financial cost in the long term, signed a new interest rate swap agreement with Deutsche Bank. According to its provisions, the Company receives prepayment of € 10,000 thousand which actually are the interest calculated on a notional principal of € 100,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 12th 2008. These instalments are calculated as interest on the notional principal with an interest rate of 1.95% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias (DBFRUU Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. At 30 June 2007, the fair value of this interest rate swap was € 12,078 thousand. A finance expense of € 2,078 thousand was recognised in the income statement.

At the same time, the interest rate swap signed during 2005 has been unwind. According to its provisions, the company received a prepayment of € 7,200 thousand which actually was the interest calculated on a notional principal of € 72,000 thousand. The Company had the obligation to pay 8 six-monthly instalments commencing on June 14th 2006. The instalments were calculated as interest on the notional principal with an interest rate based on the 5-year EUR swap rate (5y CMS). The provisions of the contract made unwind as well as the variation of the 5-year EUR swap rate (5y CMS), have driven to a total cost € 75 thousand for a prepayment of € 7,200 thousand received for a 14 month period.

Additionally, two more interest rate swap agreements signed during July 2006 with Deutsche Bank are in effect. These two agreements are similar and, according to their provisions, the Company received prepayments of € 3,800 thousand and € 2,000 thousand which actually are the interest calculated on a notional principal of € 38,000 thousand and € 20,000 thousand respectively. The Company has the obligation to pay 10 six-monthly instalments commencing on January 12th 2007 and January 28th 2007 respectively. The instalments are calculated as interest on the notional principal with an interest rate of 2% for the first six-month period. After the first six-month period, the interest rate varies based on the difference between the 10year and the 2year US dollar interest rate swap. At 30 June 2007, after the payment of the first instalment on January 2007 (€ 388 thousand and € 206 thousand respectively), the fair value of the above described interest rate swaps was € 3,875 thousand and € 2,084 thousand (31 December 2006: € 4,170 thousand and € 2,220 thousand) respectively. Finance expenses of € 94 thousand and € 70 thousand respectively were recognised in the income statement.

Finally, the floating-to-fixed interest rate swap with Credit Suisse signed by the Group on January 2006 is also in effect. With this agreement the financing cost of approximately 86% of the entire sale and leaseback and Build Operate Transfer (BOT) portfolio was "locked". The initial principal at the date of the agreement was amounting to € 345 million with a total duration of over 15 years. As a result of this transaction, the total cost of the 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 30 June 2007 resulted in finance expense amounting to € 2,337 thousand (31 December 2006: 6,782 thousand). Finance income of € 4,445 thousand was recognised in the Group's result for the period. The valuation fluctuations are due to the fact that the fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR and the prospects for the latter to reach a value lower than the first one. Based on the agreement, starting from January 30th, 2008 and onwards, in case the 10year EURIBOR reaches a level lower than the respective of 1year

EURIBOR, there will be a negative effect on the Group's cash inflows for the total calendar days that this case stands. If the aforementioned case does not arise, the Group's inflows follow the movement of EURIBOR while the respective outflows are fixed with an interest rate of 5.29%. The fluctuation of the difference between these reference interest rates as well as their level affect the valuation of the transaction, resulting in finance expense or income reflected at the Group's income statement. It has to be noted that, as at 30 June 2007, the average floating interest cost of the SLB and BOT portfolio would be 6.53% versus 5.29% which is applicable due to the interest rate swap agreement.

12 Revenue

All amounts in Euro thousands

	Consolidated		**Company**	
	1/1/2007 - 30/6/2007	**1/1/2006 - 30/6/2006**	**1/1/2007 - 30/6/2007**	**1/1/2006 - 30/6/2006**
Rental income	22,928	19,509	15,625	15,418
Sale of property	43,018	3,752	43,018	2,902
Contruction work	364	689	364	691
Other	-	20	6	74
	66,310	23,970	59,013	19,085

	Consolidated		**Company**	
	1/4/2007 - 30/6/2007	**1/4/2006 - 30/6/2006**	**1/4/2007 - 30/6/2007**	**1/4/2006 - 30/6/2006**
Rental income	11,525	9,385	7,599	7,384
Sale of property	39,609	1,316	39,609	1,316
Contruction work	179	229	179	229
Other	-	20	2	42
	51,313	10,950	47,389	8,971

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.

Sale of property for the period ended 30 June 2007 include accrued income resulting from the sale contracts concerning the buildings B and C of the under construction building complex at 108 – 110 Athens Ave. As far as building B is concerned, the Group signed a final sale contract with the real estate investor "KanAm Grund" on May 18th, 2007. The price was defined at € 47,096 thousand. As far as building C is concerned, the Group had signed a final sale contract with "ALLIANZ S.A."on November 24th, 2006. The price had been defined at € 17,500 thousand. The revenue recorded based on the percentage of completion of the aforementioned buildings during the period was € 37,078 thousand and € 5,431 thousand respectively.

13 Earnings per share

All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 30/6/2007	**1/1/2006 - 30/6/2006**	**1/1/2007 - 30/6/2007**	**1/1/2006 - 30/6/2006**
Net profit attributable to shareholders	1,590	97,629	2,108	(1,229)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	0.05	2.88	0.06	(0.04)

	Consolidated		Company	
	1/4/2007 - 30/6/2007	**1/4/2006 - 30/6/2006**	**1/4/2007 - 30/6/2007**	**1/4/2006 - 30/6/2006**
Net profit attributable to shareholders	6,755	38,769	7,630	(5,509)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	0.20	1.14	0.22	(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

All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 30/06/2007	**1/1/2006 - 30/06/2006**	**1/1/2007 - 30/06/2007**	**1/1/2006 - 30/06/2006**
Net profit	1,555	97,721	2,108	(1,229)
Adjustments for:				
– income tax expense	1,589	29,749	1,531	3,477
– depreciation and amortisation	270	327	194	255
– (profit) / loss on sale of investment property	-	626	-	-
– (profit) / loss on sale of PPE	(0)	101	(0)	(1)
– net gain from fair value adjustment on investment property	-	(137,599)	-	(6,766)
– Provision for inventory impairment	(636)	-	(636)	-
– Increase in retirement provision	108	128	75	109
– Increase / (Decrease) in other provisions	552	(243)	312	-
– interest expense	18,360	13,339	12,891	9,492
– interest revenue	(674)	(139)	(369)	(52)
– (income) / loss from derivatives	(3,188)	(687)	(3,188)	(687)
– dividend (income) / loss	-	-	1,057	(1,416)
Changes in working capital:				
– trade and other receivables	3,241	(3,114)	616	2,412
– inventories	10,738	(1,098)	10,420	(154)
– payables	(10,434)	(6,025)	(4,060)	(5,129)
Cash generated from operations	21,481	(6,913)	20,950	312

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

		Consolidated		Company	
	Note	**1/1/2007 - 30/06/2007**	**1/1/2006 - 30/06/2006**	**1/1/2007 - 30/06/2007**	**1/1/2006 - 30/06/2006**
Cost of investment property sold	5	-	1,476	-	-
Profit / (loss) on sale of investment property		-	(626)	-	-
Proceeds from sale of investment property		-	850	-	-

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	Consolidated		Company	
	1/1/2007 - 30/06/2007	1/1/2006 - 30/06/2006	1/1/2007 - 30/06/2007	1/1/2006 - 30/06/2006
Net book amount	0	195	0	0
Profit / (loss) on sale of PPE	0	(101)	0	1
Proceeds from sale of PPE	0	94	0	1

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 € 53,603 thousand (31 December 2006: 48,698 thousand) and € 49,940 thousand (31 December 2006: € 47,455 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 30 June 2007, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 3,862 thousand (31 December 2006: € 3,962 thousand) for which a provision of € 867 thousand (31 December 2006: € 937 thousand) for the Group and € 417 thousand (31 December 2006: € 437 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 30 June 2007, there were pending court decisions for the cancellation of building permits as far as two buildings are concerned. However, no liability is expected to incur. At 30 June 2007, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 2,413 thousand (31 December 2006: € 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 2003, '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.

On May 2007, a tax audit for the parent company BVIC S.A. concerning the fiscal years 2004 and 2005 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 period ‘s results as well as previous fiscal years’ results for the company and the Group has been formed and there is no expectation that any significant additional liability will incur.

16 Related-party transactions

Mr. Charalambos Vovos owns 35.02% of the parent company’s shares and voting rights. The remaining 64.98% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 30/6/2007	**1/1/2006 - 30/6/2006**	**1/1/2007 - 30/6/2007**	**1/1/2006 - 30/6/2006**
Sales of goods and services				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	6	74
	-	-	6	74
Sales of services				
Babis Vovos International Construction S.A. & Co GP	-	-	-	1
International Health Care S.A	1	-	-	-
	1	-	-	1
Purchases of goods and services				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	96	-
	-	-	96	-
Purchases of services				
Babis Vovos International Construction S.	-	-	60	-
Services of key management personnel	632	392	582	305
	632	392	642	305
Key management compensation - BoD Remuneration				
Salaries and other short term employee benefits - BOD remuneration	610	535	610	535

Year-end balances arising from sales/purchases of goods/services	**Consolidated** 30 June 2007	31 December 2006	**Company** 30 June 2007	31 December 2006
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	37,987	36,476
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	897	829
International Health Care S.A	3	2	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	-
Key management personnel	278	-	278	-
	11,857	11,573	44,742	42,880
Payables to related parties				
Doma S.A	-	-	8,646	8,431
International Palace Hotel S.A	-	-	3,860	3,864
Alteco S.A	-	-	10,308	10,308
Elfinko S.A.	-	-	16,836	13,347
Key management personnel	41,881	38,796	32,171	29,621
	41,881	38,796	71,821	65,571

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.

17 Events after June 30th, 2007

1. Syndicated Loan

During July 2007, a syndicated loan contract was signed between the parent company and the banks ‘Alpha Bank’ and ‘Piraeus Bank’. The total amount of the loan amounts to € 61,200 thousand. The issuing of the loan partially covers the financing necessary for the project under construction at Votanikos. The maturity date is June 30th 2009. The interest is floating – EURIBOR 3month plus spread and duty L. 128/75. The total loan amount is payable at its maturity.