



Babis Vovos International Construction S.A.

Interim Condensed Financial Statements for the
three months ended 31 March 2007 under IAS
34

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Balance sheet

Unaudited figures. All amounts in Euro thousands

	Note	Consolidated		Company	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
ASSETS					
Non-current assets					
Investment property	5	1,196,993	1,194,706	786,160	785,039
Property, plant and equipment		24,360	24,450	15,323	15,372
Intangible assets		18,966	18,974	16,538	16,546
Investments		18	18	47,477	47,477
Other non-current receivables	6	307	259	119	71
		<u>1,240,644</u>	<u>1,238,408</u>	<u>865,618</u>	<u>864,505</u>
Current assets					
Inventories		36,841	29,120	33,331	25,354
Trade and other receivables	6	37,236	40,406	62,304	64,157
Cash and cash equivalents	7	43,201	71,509	24,489	46,627
		<u>117,277</u>	<u>141,036</u>	<u>120,124</u>	<u>136,138</u>
Total assets		<u>1,357,922</u>	<u>1,379,444</u>	<u>985,741</u>	<u>1,000,644</u>
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital	8	46,832	46,832	46,832	46,832
Reserves		23,053	23,053	25,244	25,244
Retained earnings		462,322	467,487	266,086	271,609
		<u>532,207</u>	<u>537,372</u>	<u>338,162</u>	<u>343,685</u>
Minority interest		7,293	7,306	-	-
Total equity		<u>539,500</u>	<u>544,678</u>	<u>338,162</u>	<u>343,685</u>
LIABILITIES					
Non-current liabilities					
Borrowings	9	414,002	412,405	283,845	281,656
Deferred income tax liabilities	10	154,577	153,951	95,846	95,358
Retirement benefit obligations		1,839	1,797	1,645	1,617
Derivative liabilities	12	20,462	15,868	20,462	15,868
Other non-current liabilities	11	3,823	3,742	2,884	2,856
		<u>594,702</u>	<u>587,763</u>	<u>404,683</u>	<u>397,356</u>
Current liabilities					
Trade and other payables	11	104,128	103,410	155,516	149,897
Income tax		2,154	5,047	2,538	3,620
Borrowings	9	110,818	131,977	78,673	100,017
Dividend payable		2,628	2,628	2,628	2,628
Provisions for other liabilities & expenses		867	937	417	437
Derivative liabilities	12	3,125	3,004	3,125	3,004
		<u>223,719</u>	<u>247,002</u>	<u>242,897</u>	<u>259,604</u>
Total liabilities		<u>818,421</u>	<u>834,766</u>	<u>647,579</u>	<u>656,959</u>
Total equity and liabilities		<u>1,357,922</u>	<u>1,379,444</u>	<u>985,741</u>	<u>1,000,644</u>

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

Income statement

Unaudited figures. All amounts in Euro thousands

	Note	Consolidated		Company	
		1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006
Revenue	13	14,997	13,021	11,623	10,114
Cost of sales		(8,806)	(9,375)	(7,359)	(6,565)
Gross profit		6,191	3,646	4,264	3,549
Net gain from fair value adjustment on investment property	5	-	79,935	-	7,175
Selling and marketing costs		(57)	(60)	(39)	(58)
Administrative expenses		(1,390)	(1,612)	(1,296)	(1,645)
Other gains / (expenses) - net		(153)	(383)	16	(326)
Operating profit		4,592	81,527	2,946	8,695
Gain / (Loss) from investment in subsidiaries		-	-	(1,342)	2,374
Finance expenses (net)		(9,144)	(5,523)	(6,638)	(3,623)
Profit before income tax		(4,552)	76,004	(5,035)	7,446
Income tax expense		(626)	(17,081)	(488)	(3,167)
Profit for the period		(5,178)	58,923	(5,522)	4,279
<u>Attributable to:</u>					
Equity holders of the Company		(5,165)	58,860	(5,522)	4,279
Minority interest		(12)	62	-	-
		<u>(5,178)</u>	<u>58,923</u>	<u>(5,522)</u>	<u>4,279</u>
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in € per share)					
	14	<u>(0.15)</u>	<u>1.73</u>	<u>(0.16)</u>	<u>0.13</u>

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

Statement of changes in equity

Unaudited figures. All amounts in Euro thousands

Consolidated statement of changes in equity

	Attributable to equity holders of the Group			Minority interest	Total equity
	Share capital	Other reserves	Retained earnings		
Balance at 1 January 2006	46,832	23,053	394,872	7,868	472,626
Profit for the period	-	-	58,860	62	58,923
Balance at 31 March 2006	46,832	23,053	453,733	7,931	531,548
Profit for the period	-	-	27,327	(856)	26,471
Dividend relating to 2005	-	-	(13,572)	-	(13,572)
Business combinations	-	-	-	231	231
Balance at 31 December 2006	46,832	23,053	467,487	7,306	544,678
Profit for the period	-	-	(5,165)	(12)	(5,178)
Balance at 31 March 2007	46,832	23,053	462,322	7,293	539,500

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	-	-	4,279	4,279
Balance at 31 March 2006	46,832	25,244	323,016	395,092
Profit for the period	-	-	(37,836)	(37,836)
Dividend relating to 2005	-	-	(13,572)	(13,572)
Balance at 31 December 2006	46,832	25,244	271,609	343,685
Profit for the period	-	-	(5,522)	(5,522)
Balance at 31 March 2007	46,832	25,244	266,086	338,162

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

Cash flow statement

Unaudited figures. All amounts in Euro thousands

	Note	Consolidated		Company	
		1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006
Cash flows from operating activities					
Cash generated from operations	15	(3,899)	(18,026)	(973)	(5,683)
Interest paid		(7,716)	(6,526)	(5,806)	(4,558)
Income tax paid		(1,172)	(2,700)	(1,082)	(2,562)
Net cash generated from operating activities		(12,787)	(27,252)	(7,861)	(12,803)
Cash flows from investing activities					
Additions in investment property (acquisitions & development)	5	(2,287)	(40,643)	(1,121)	(1,230)
Proceeds from sale of investment property	15	-	850	-	-
Additions in property, plant and equipment & intangible assets		(58)	(71)	(57)	(71)
Interest inflow		319	2	190	
Net cash used in investing activities		(2,025)	(39,862)	(988)	(1,301)
Cash flows from financing activities					
Inflows / (outflows) - derivatives		4,308	76	4,308	76
Borrowings inflows		15,000	62,521	15,000	28,987
Borrowings payback		(34,686)	(16,185)	(33,892)	(15,871)
Increase / (Decrease) of other short - term financing		1,881	(1,338)	1,296	-
Dividends paid to the Company's shareholders		(0)	(11)	(0)	(11)
Net cash used in financing activities		(13,497)	45,064	(13,289)	13,181
Net increase / (decrease) in cash and cash equivalents		(28,309)	(22,051)	(22,138)	(923)
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	43,201	28,054	24,489	8,691

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

1 General information

The interim condensed financial statements include the financial statements of Babis Vovos International Construction S.A (“Company”) as well as the consolidated financial statements of the Group which include financial statements of the company and its subsidiaries (together “BVIC” or “Group”) for the three months ended 31 March 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 three months ended 31 March 2007 have been approved for issue by the Board of Directors on May 29th, 2007.

2 Basis of preparation

These interim financial statements for the Company and the Group refer to the three months ended 31 March 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 three months ended 31 March 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. For the current interim period the applicable IFRS 7 disclosures have only been presented in respect of events and transactions related to financial instruments which are material to an understanding of the current interim period.

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.

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.

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.

4 Segment Reporting

4.1 Primary reporting format – business segments

At 31st March 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 31 March 2007 are as follows:

Unaudited figures. All amounts in Euro thousands

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

The segment results for the period ended 31 March 2006 are as follows:

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
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)
Profit / (loss) before income tax	(1,155)	79	84,656	(2,053)	76,004
Income tax expense	-	-	-	-	(17,081)
Profit / (loss) for the period	(1,155)	79	84,656	(2,053)	58,923

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

Unaudited figures. All amounts in Euro thousands

	Period ended 31 March 2007					Group
	Development & Sale of property	Construction Work	Property Leases	Unallocated		
Lease rental	-	-	(4,280)	-	(4,280)	
Provisions	-	-	-	28	28	
Depreciation of property, plant and equipment	(3)	-	(87)	(24)	(114)	
Amortisation of intangible assets	-	-	-	(12)	(12)	
Decrease of provision for impairment of inventory	305	-	-	-	305	

	Period ended 31 March 2006					Group
	Development & Sale of property	Construction Work	Property Leases	Unallocated		
Lease rental	-	-	(4,400)	-	(4,400)	
Net gain from fair value adjustment on investment property (Note 5)	-	-	79,935	-	79,935	
Provisions	-	-	-	(21)	(21)	
Depreciation of property, plant and equipment	(41)	(4)	(75)	(21)	(141)	
Amortisation of intangible assets	-	-	-	(11)	(11)	

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

The segment assets and liabilities at 31 March 2007 are as follows:

Unaudited figures. All amounts in Euro thousands

	31 March 2007					Group
	Development & Sale of property	Construction Work	Property Leases	Unallocated		
Total Assets	311,786	2,076	979,978	64,081	1,357,922	
Total Liabilities	208,794	5	390,199	219,423	818,421	
Capital expenditure	2,298	-	-	46	2,345	

The segment assets and liabilities at 31 December 2006 are as follows:

	31 December 2006					Group
	Development & Sale of property	Construction Work	Property Leases	Unallocated		
Total Assets	303,559	1,849	981,631	92,405	1,379,444	
Total Liabilities	228,037	31	396,552	210,145	834,766	
Capital expenditure	92,372	-	62,777	593	155,743	

Segment assets consist primarily of investment property, property plant and equipment (land, buildings and assets under construction), inventories, trade and other receivables.

Unallocated assets mainly comprise intangible assets, cash & cash equivalents and derivative financial instruments.

Segment liabilities consist primarily of borrowings (including finance leases), trade and other liabilities.

Unallocated liabilities mainly comprise current & deferred income tax liabilities, litigation provisions, employee benefits obligations, derivative financial instruments and dividends payable.

4.2 Secondary reporting format – geographical segments

The Group realises the total of its sales in Greece.

5 Investment property

Unaudited figures. All amounts in Euro thousands

	Consolidated	Company
At beginning of period (01.01.2006)	904,383	708,069
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
At end of period (31.03.2006)	1,021,319	720,294
Acquisition of subsidiary	30,533	-
Additions in investment property	83,884	61,406
Net gain from fair value adjustments on investment property	58,970	3,339
At end of period (31.12.2006)	1,194,706	785,039
Additions in investment property	2,287	1,121
At end of period (31.03.2007)	1,196,993	786,160

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.

Additions to investment property

During the period ended at 31 March 2007, no investment property under construction was completed (for the Investment property under construction see below).

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. This project is currently under the procedure of issuing necessary building permits. 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 Syngrou Avenue

During 2006, the Group acquired a property in Athens located at 340 Syngrou Avenue (through the acquisition of a company), which is included in investment property. During the first quarter of 2007, excavation works have started while, as of April 2007, the building permit has been issued 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 already started, currently being at the stage of walls and reinforcing the structural frame. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 March 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 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 2007.

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 31 March 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 € 330,113 thousand. (For 31.12.2006: 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 were € 334,326 thousand).

6 Trade and other receivables

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Trade receivables	12,960	14,943	10,824	12,589
Prepaid expenses	6,614	7,084	4,652	5,029
Accrued income	-	2,430	-	-
Receivables from subsidiaries (Note 17)	-	-	36,714	37,306
Receivables from other related parties (Note 17)	11,579	11,579	5,580	5,580
Advances	307	259	119	71
Other debtors	11,965	10,253	8,141	7,261
Less: provision for impairment of receivables	(5,882)	(5,882)	(3,607)	(3,607)
	37,543	40,665	62,423	64,228
Less non-current assets: advances	(307)	(259)	(119)	(71)
Current assets	37,236	40,406	62,304	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

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Cash on hand	141	142	78	81
Site deposits	13,090	14,513	11,411	6,546
Committed deposit accounts	29,970	56,854	13,000	40,000
Cash and cash equivalents	43,201	71,509	24,489	46,627

8 Share capital

Unaudited figures. All amounts in Euro thousands

Consolidated

	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2006 /31 March 2007	33,930	0.30	10,179	36,653	46,832

Company

	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2006 /31 March 2007	33,930	0.30	10,179	36,653	46,832

The total authorised number of ordinary shares is 33,930 thousand shares (December 2006: 33,930 thousand shares) with a par value of € 0.30 per share (December 2006: € 0.30 per share). All issued shares are fully paid.

9 Borrowings

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Non - current				
Bank Borrowings	52,983	47,102	32,983	27,102
Finance lease liabilities	361,019	365,303	250,862	254,553
	<u>414,002</u>	<u>412,405</u>	<u>283,845</u>	<u>281,656</u>
Current				
Bank Borrowings	92,775	113,146	63,335	84,093
Finance lease liabilities	18,043	18,831	15,337	15,925
	<u>110,818</u>	<u>131,977</u>	<u>78,673</u>	<u>100,017</u>
Total borrowings	<u>524,820</u>	<u>544,382</u>	<u>362,518</u>	<u>381,673</u>

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 31 March 2007 was 6.16% (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 31 March 2007 was 6.62% (31 December 2006: 6.56%).

The fair value of both the long-term and short-term borrowings at 31 March 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.

10 Deferred income tax

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

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	31 March	31 December	31 March	31 December
	2007	2006	2007	2006
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	154,577	153,951	95,846	95,358
	<u>154,577</u>	<u>153,951</u>	<u>95,846</u>	<u>95,358</u>

The total movement in deferred income tax is presented below:

Unaudited figures. All amounts in Euro thousands

	Consolidated	Company
Balance at 1 January 2006	115,505	92,710
Debit / (credit) in the income statement	17,081	3,167
Balance at 31 March 2006	<u>132,585</u>	<u>95,877</u>
Debit / (credit) in the income statement	14,922	(518)
Acquisition of subsidiary	6,443	-
Balance at 31 December 2006	<u>153,951</u>	<u>95,358</u>
Debit / (credit) in the income statement	626	488
Balance at 31 March 2007	<u>154,577</u>	<u>95,846</u>

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Unaudited figures. All amounts in Euro thousands

Consolidated

Deferred Tax Liabilities	Investment property to fair value	Total
Balance 01.01.2006	168,518	168,518
Debit / (credit) in the income statement	16,344	16,344
Balance 31.03.2006	184,862	184,862
Debit / (credit) in the income statement	11,833	11,833
Acquisition of subsidiary	6,447	6,447
Balance 31.12.2006	203,141	203,141
Debit / (credit) in the income statement	204	204
Balance 31.03.2007	203,346	203,346

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	694	2	(15)	518	(461)	737
Balance 31.03.2006	(49,573)	(361)	(398)	325	(2,269)	(52,276)
Debit / (credit) in the income statement	5,919	8	(45)	(2,249)	(543)	3,090
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	548	2	(10)	(190)	71	421
Balance 31.03.2007	(43,107)	(355)	(453)	(2,114)	(2,740)	(48,769)

Company

Deferred Tax Liabilities	Investment property to fair value		Total
Balance 01.01.2006	135,385		135,385
Debit / (credit) in the income statement	1,794		1,794
Balance 31.03.2006	137,179		137,179
Debit / (credit) in the income statement	836		836
Balance 31.12.2006	138,015		138,015
Debit / (credit) in the income statement	0		0
Balance 31.03.2007	138,015		138,015

Company

Deferred Tax Assets	Finance leases	Intangible assets	Provision for employees retirement benefit based on			Total
			actuarial study	Derivatives	Other	
Balance 01.01.2006	(41,968)	(2)	(351)	(193)	(162)	(42,675)
Debit / (credit) in the income statement	1,124	2	(13)	518	(256)	1,373
Balance 31.03.2006	(40,844)	(0)	(364)	325	(419)	(41,302)
Debit / (credit) in the income statement	1,472	5	(40)	(2,249)	(541)	(1,354)
Balance 31.12.2006	(39,372)	5	(404)	(1,924)	(960)	(42,656)
Debit / (credit) in the income statement	619	2	(7)	(190)	64	487
Balance 31.03.2007	(38,753)	6	(411)	(2,114)	(896)	(42,169)

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

11 Trade and other payables

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Trade Payables	9,786	9,819	6,783	5,051
Amounts due to subsidiaries (Note 17)	-	-	39,669	35,950
Amounts due to other related parties (Note 17)	40,678	38,796	30,917	29,621
Social security and other taxes	2,716	2,637	1,146	1,035
Customer advances	40,860	41,204	40,632	40,945
Accrued expenses	6,010	3,631	32,297	29,984
Unearned and deferred income	4,050	7,259	4,050	7,259
Lease Guarantees	3,823	3,742	2,884	2,856
Other creditors	28	63	21	52
Trade and other Payables	107,950	107,152	158,401	152,753
Less long-term liabilities: lease guarantees	(3,823)	(3,742)	(2,884)	(2,856)
Short-term liabilities	104,128	103,410	155,516	149,897

Group and company trade and other payables are interest free.

12 Derivatives

Unaudited figures. All amounts in Euro thousands

Interest rate swaps held for trading	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Non-current liabilities	20,462	15,868	20,462	15,868
Current liabilities	3,125	3,004	3,125	3,004
	23,587	18,872	23,587	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 31 March 2007, the fair value of this interest rate swap was € 11,013 thousand. A finance expense of € 1,013 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 31 March 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 € 3,853 thousand and € 2,068 thousand (31 December 2006: € 4,170 thousand and € 2,220 thousand) respectively. Finance expenses of € 71 thousand and € 54 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 31 March 2007 resulted in finance expense amounting to € 6,653 thousand (31 December 2006: 6,782 thousand). Finance income of € 129 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 31 March 2007, the average floating interest cost of the SLB and BOT portfolio would be 6.29% versus 5.29% which is applicable due to the interest rate swap agreement.

13 Revenue

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006
Rental income	11,403	10,124	8,026	8,034
Sale of property	3,409	2,436	3,409	1,586
Construction work	185	460	185	461
Other	-	-	3	32
	<u>14,997</u>	<u>13,021</u>	<u>11,623</u>	<u>10,114</u>

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

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

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

14 Earnings per share

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006
Net profit attributable to shareholders	(5,165)	58,860	(5,522)	4,279
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(0.15)	1.73	(0.16)	0.13

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.

15 Cash generated from operations

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 31/03/2007	1/1/2006 - 31/03/2006	1/1/2007 - 31/03/2007	1/1/2006 - 31/03/2006
Net profit	(5,178)	58,923	(5,522)	4,279
Adjustments for:				
– income tax expense	626	17,081	488	3,167
– depreciation and amortisation	125	152	87	126
– (profit) / loss on sale of investment property	-	626	-	-
– net gain from fair value adjustment on investment property	-	(79,935)	-	(7,175)
– Provision for inventory impairment	(305)	-	(305)	-
– Increase in retirement provision	42	61	28	53
– Increase / (Decrease) in other provisions	(70)	(40)	(20)	203
– interest expense	8,982	6,453	6,346	4,552
– interest revenue	(320)	(2)	(190)	(0)
– (income) / loss from derivatives	482	(928)	482	(928)
– dividend (income) / loss	-	-	1,342	(2,374)
Changes in working capital:				
– trade and other receivables	2,872	(13,770)	1,598	(2,838)
– inventories	(7,386)	(1,687)	(7,646)	(2,001)
– payables	(3,769)	(4,960)	2,339	(2,747)
Cash generated from operations	<u>(3,899)</u>	<u>(18,026)</u>	<u>(973)</u>	<u>(5,683)</u>

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

	Consolidated		Company	
	1/1/2007 - 31/03/2007	1/1/2006 - 31/03/2006	1/1/2007 - 31/03/2007	1/1/2006 - 31/03/2006
Cost of investment property sold	-	1,476	-	-
Profit / (loss) on sale of investment property	-	(626)	-	-
Proceeds from sale of investment property	<u>-</u>	<u>850</u>	<u>-</u>	<u>-</u>

16 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 € 50,852 thousand (31 December 2006: 48,698 thousand) and € 47,179 thousand (31 December 2006: € 47,455 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 March 2007, there were pending court decisions over injunctions filed 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 31 March 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 31 March 2007, there also were pending court decisions over injunctions filed by the Group against third parties amounting to € 1,881 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. A provision which burdened previous fiscal years' results has been formed and there is no expectation that any significant additional liability will incur.

17 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.

Unaudited figures. All amounts in Euro thousands

	Consolidated		Company	
	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006	1/1/2007 - 31/3/2007	1/1/2006 - 31/3/2006
Sales of goods and services				
<i>Sales of goods</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	3	32
	<u>-</u>	<u>-</u>	<u>3</u>	<u>32</u>
<i>Sales of services</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Purchases of goods and services				
<i>Purchases of goods</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	49	-
	<u>-</u>	<u>-</u>	<u>49</u>	<u>-</u>
<i>Purchases of services</i>				
Babis Vovos International Construction S.	-	-	9	-
Services of key management personnel	210	196	210	109
	<u>210</u>	<u>196</u>	<u>218</u>	<u>109</u>
Key management compensation				
Salaries and other short term employee benefits	232	232	232	232
	<u>232</u>	<u>232</u>	<u>232</u>	<u>232</u>

Year-end balances arising from sales/purchases of goods/services	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
<i>Receivables from related parties</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	35,844	36,476
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	870	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	-
	<u>11,579</u>	<u>11,573</u>	<u>42,294</u>	<u>42,880</u>
<i>Payables to related parties</i>				
Doma S.A	-	-	8,658	8,431
International Palace Hotel S.A	-	-	3,863	3,864
Alteco S.A	-	-	10,308	10,308
Elfinko S.A.	-	-	16,841	13,347
Key management personnel	40,678	38,796	30,917	29,621
	<u>40,678</u>	<u>38,796</u>	<u>70,587</u>	<u>65,571</u>

Excluding the subsidiaries, related parties consist of companies to which the major shareholder of the parent company or members of the top management have strong influence in the decision making process.

Sale and purchase of services and goods from and to related parties are based on the price lists in force and terms that would be available to third parties.

The receivables and payables from and to related parties have no any specific due date and bear no interest.

18 Events after March 31st, 2007

1. Tax audit for the parent company

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 previous fiscal years' company results has been formed and there is no expectation that any significant additional liability will incur.

2. Sale contract of Building B of the under construction building complex at 108 – 110 Athens Ave.

Babis Vovos International Construction S.A., based on agreement with Hellenic Exchanges S.A. (HELEX), is currently constructing, on a land plot of approximately 8,000 sqm at 108 -110 Athens Avenue, an office building (building A) of 6,700 sqm, where all of HELEX's departments will relocate, as well as two more buildings (buildings B and C) of approximately 17,000 sqm which will become BVIC's ownership.

On May 18th, 2006, the Company signed a final sale contract for Building B of the aforementioned building complex to the real estate investor "KanAm Grund". The price was defined at € 47,096 thousand and refers to 12,224 sqm as well as 243 parking spaces. The building will be delivered on October 31st, 2007.

It has to be noted that the Company has already signed a final sale contract for Building C of the aforementioned building complex with "ALLIANZ S.A." as well. The price was defined at € 17,500 thousand and refers to 5,000 sqm of office space as well as 112 parking spaces.