



Eurobank Properties REIC

CONDENSED CONSOLIDATED AND COMPANY
INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

All amounts expressed in €000s unless otherwise stated

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All amounts expressed in €000s unless otherwise stated

Consolidated and Company Balance sheet

	Notes	Group		Company	
		30/09/2007	31/12/2006	30/09/2007	31/12/2006
ASSETS					
<i>Non-current assets</i>					
Investment property	5	386,083	339,888	359,733	339,888
Property, plant and equipment	6	43,634	1,067	20,553	1,067
Investments in subsidiaries	7	-	-	34,545	-
Other non-current assets	8	11,690	89	11,638	89
		441,407	341,044	426,469	341,044
<i>Current assets</i>					
Trade and other receivables	8	4,831	4,878	6,904	4,878
Cash and cash equivalents	9	25,691	72,901	23,671	72,901
		30,522	77,779	30,575	77,779
Total assets		471,929	418,823	457,044	418,823
Shareholders' equity and liabilities					
<i>Capital and reserves</i>					
Share capital	10	51,972	51,972	51,972	51,972
Share premium	10	219,398	221,962	219,398	221,962
Other reserves		4,613	4,167	4,167	4,167
Retained earnings		99,854	79,040	99,839	79,040
Total shareholders' equity		375,837	357,141	375,376	357,141
Deferred income		239	261	239	261
<i>Non-current liabilities</i>					
Borrowings, including finance leases	11	68,312	52,796	55,615	52,796
		68,312	52,796	55,615	52,796
<i>Current liabilities</i>					
Trade and other payables	12	23,913	6,541	23,686	6,541
Dividends payable		18	-	18	-
Current income tax liabilities		542	615	542	615
Borrowings, including finance leases	11	3,068	1,469	1,568	1,469
		27,541	8,625	25,814	8,625
Total liabilities		96,092	61,682	81,668	61,682
Total shareholders' equity and liabilities		471,929	418,823	457,044	418,823

All amounts expressed in €000s unless otherwise stated

Consolidated Income Statement

	Note	Nine months ended		Three months ended	
		30/09/2007	30/09/2006	30/09/2007	30/09/2006
Revenue					
Rental Income		19,351	15,592	6,649	5,894
Gain from sale of investment property		1,070	-	-	-
		20,421	15,592	6,649	5,894
Net gain from fair value adjustment on investment property	5	15,305	9,590	2,857	4,740
Repair and maintenance costs		(188)	(173)	(175)	(159)
Management fee		(1,711)	(1,236)	(695)	(463)
Other direct property relating expenses		(795)	(355)	(373)	(56)
Employee benefit expense		(485)	(380)	(178)	(131)
Depreciation of property, plant and equipment	6	(33)	(41)	(11)	(12)
Other income		323	134	55	13
Other expenses		(1,133)	(1,054)	(494)	(300)
		31,704	22,077	7,635	9,526
Operating profit (EBIT)					
Interest income		1,599	1,375	391	507
Finance costs		(2,430)	(1,379)	(975)	(569)
		30,873	22,073	7,051	9,464
Profit before income tax					
Income tax expense	13	(1,519)	(831)	(542)	(304)
		29,354	21,242	6,509	9,160
Profit for the period					
Earnings per share (expressed in €per share)					
- Basic and Diluted	15	1.20	0.95	0.27	0.41

The consolidated and company condensed interim financial information was approved by the Board of Directors on 18 October, 2007 and is signed on its behalf by:

Charalambos Kyrkos
Chairman of the BoD

Nikolaos Galetas
General Manager &
Executive Member of the BoD

Ilias Papailiopoulos
Chief Financial Officer

All amounts expressed in €000s unless otherwise stated

Company Income Statement

	Note	Nine months ended		Three months ended	
		30/09/2007	30/09/2006 (Restated)	30/09/2007	30/09/2006 (Restated)
Revenue					
Rental Income		19,208	15,592	6,506	5,894
Gain from sale of investment property		1,070	-	-	-
		20,278	15,592	6,506	5,894
Net gain from fair value adjustment on investment property	5	15,305	9,590	2,857	4,740
Repair and maintenance costs		(187)	(173)	(174)	(159)
Management fee		(1,711)	(1,236)	(695)	(463)
Other direct property relating expenses		(750)	(355)	(328)	(56)
Employee benefit expense		(485)	(380)	(178)	(131)
Depreciation of property, plant and equipment	6	(33)	(41)	(11)	(12)
Other income		276	134	8	13
Other expenses		(1,121)	(1,054)	(482)	(300)
		31,572	22,077	7,503	9,526
Operating profit (EBIT)					
Interest income		1,599	1,375	391	507
Finance costs		(2,313)	(1,379)	(858)	(569)
		30,858	22,073	7,036	9,464
Profit before income tax					
Income tax expense	13	(1,519)	(831)	(542)	(304)
		29,339	21,242	6,494	9,160
Profit for the period					

All amounts expressed in €000s unless otherwise stated

Consolidated Statement of changes in shareholders' equity

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2006		40,235	153,923	3,370	61,440	258,968
Profit for the period		-	-	-	21,242	21,242
Proceeds from initial public offering	10	11,737	74,220	-	-	85,957
Costs associated with initial public offering	10	-	(6,181)	-	-	(6,181)
Dividends relating to 2005 approved by the shareholders		-	-	-	(5,830)	(5,830)
Balance at 30 September 2006		51,972	221,962	3,370	76,852	354,156
Balance at 1 January 2007		51,972	221,962	4,167	79,040	357,141
Currency translation reserves		-	-	446	-	446
Profit for the period		-	-	-	29,354	29,354
Costs associated with contemplated share capital increase	10	-	(2,564)	-	-	(2,564)
Dividends relating to 2006 approved by the shareholders	14	-	-	-	(8,540)	(8,540)
Balance at 30 September 2007		51,972	219,398	4,613	99,854	375,837

Company Statement of changes in shareholders' equity

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 1 January 2006		40,235	153,923	3,370	61,440	258,968
Profit for the period		-	-	-	21,242	21,242
Proceeds from initial public offering	10	11,737	74,220	-	-	85,957
Costs associated with initial public offering	10	-	(6,181)	-	-	(6,181)
Dividends relating to 2005 approved by the shareholders		-	-	-	(5,830)	(5,830)
Balance at 30 September 2006		51,972	221,962	3,370	76,852	354,156
Balance at 1 January 2007		51,972	221,962	4,167	79,040	357,141
Profit for the period		-	-	-	29,339	29,339
Costs associated with contemplated share capital increase	10	-	(2,564)	-	-	(2,564)
Dividends relating to 2006 approved by the shareholders	14	-	-	-	(8,540)	(8,540)
Balance at 30 September 2007		51,972	219,398	4,167	99,839	375,376

All amounts expressed in €000s unless otherwise stated

Consolidated and Company Cash flow statement

	Notes	Group		Company	
		Nine months ended 30/09/2007	Nine months ended 30/09/2006	Nine months ended 30/09/2007	Nine months ended 30/09/2006
Cash flows from operating activities					
Cash generated from operations		16,106	11,961	15,496	11,961
Income taxes paid		(1,592)	(2,123)	(1,592)	(2,123)
Interest paid		(2,026)	(1,377)	(1,909)	(1,377)
Net cash from operating activities		12,488	8,461	11,995	8,461
Cash flows from investing activities					
Capital expenditure on investment properties	5	(868)	(9,143)	(868)	(9,143)
Purchases of investment properties	5	(30,742)	-	(4,392)	-
Purchases of Property, plant and equipment	6	(15)	(32)	(15)	(32)
Purchases of investment properties under development		(25,828)	(42,263)	(10,377)	(42,263)
Acquisition of foreign subsidiaries	7	-	-	(26,915)	-
Advances for the acquisition of investment properties and foreign subsidiaries	8	(11,549)	-	(11,549)	-
Purchase of foreign subsidiary loan	8	-	-	(2,238)	-
Interest received		1,599	1,375	1,599	1,375
Net cash used in investing activities		(67,403)	(50,063)	(54,755)	(50,063)
Cash flows from financing activities					
Proceeds from initial public offering	10	-	85,957	-	85,957
Costs associated with share offering	10	(866)	(6,181)	(866)	(6,181)
Proceeds from borrowings	11	18,197	6,500	4,000	6,500
Repayments of borrowings	11	(1,082)	(1,251)	(1,082)	(1,251)
Dividends paid	14	(8,522)	(8,784)	(8,522)	(8,784)
Net cash from / (used in) financing activities		7,727	76,241	(6,470)	76,241
Net (decrease) / increase in cash and cash equivalents for the period		(47,188)	34,639	(49,230)	34,639
Cash and cash equivalents at the beginning of the period		72,901	37,982	72,901	37,982
Exchange losses on cash and cash equivalents		(22)	-	-	-
Cash and cash equivalents at the end of the period	9	25,691	72,621	23,671	72,621

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

1 General information

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

The Company is incorporated and domiciled in Nea Ionia, Athens, Greece. The address of its registered office is 6, Siniosoglou Street, Nea Ionia, Athens, Greece. The Company is contemplating an share capital increase of ordinary shares on the Athens Stock Exchange (see Note 19).

The Company enjoys certain tax privileges in Greece as a real estate investment vehicle (see Note 13).

During June 2007, a number of amendments were made to Greek legislation governing REICs which significantly increase the Company's potential for future growth. The main changes to the regulatory regime now enable Greek REICs to (a) have access to a number of alternative transactions that were previously not possible (i.e. can now invest in special purpose vehicle owning real estate, and are now allowed to enter into promissory contracts for the acquisition, upon completion, of properties under construction), (b) assume additional debt to finance acquisitions, refurbishment and development (c) improved liquidity as a result of the abolishment of the requirement to maintain minimum liquidity and (d) additional favourable tax benefits.

The Company's shares are listed on the Athens stock exchange.

This financial information has been approved for issue by the Board of Directors on 18 October 2007.

2 Basis of preparation

The condensed interim financial information for the nine months period ended 30 September 2007 have been prepared under IAS 34 "Interim Financial Reporting" and include the company's first set of condensed interim consolidated financial information since becoming a REIC as a result of the acquisition of a number of foreign subsidiaries (see Note 7) during the current quarter. The condensed interim financial information should be read in conjunction with the Company's published financial statements for the year ended 31 December 2006, as well as the additional relevant accounting policies described under Accounting Policies (Note 3)

3 Accounting Policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006. However, due to the acquisition of a number of foreign subsidiaries during the current quarter ended 30 September 2007, the following accounting policies are also relevant to the condensed interim financial information:

- Investment in subsidiaries
- Consolidation
- Foreign currency translation – Group companies

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

3.1 Investment in Subsidiaries

Investment in subsidiaries are stated at cost less impairment.

3.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether controls an entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.3 Foreign currency translation – Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which income and expenses are translated at the rate of the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the closing entity and translated at the closing rate.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

3.4 New standards, amendments to standards and interpretations mandatory for the financial year ended 31 December 2007

IFRIC 7 "Applying the Restatement Approach under IAS 29", IFRIC 8 "Scope of IFRS 2 "Scope of IFRS 2", IFRIC 9 "Reassessment of Embedded Derivatives" and IFRIC 11 "Group and Treasury Share Transactions" are not applicable to the Group's operations.

IFRIC 10 "Interim Financial Reporting" requires an entity not to reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or financial asset carried at cost. This interpretation is not applicable to the Group's operations.

IFRS 7 "Financial Instruments: Disclosures" and IAS 1 "Amendments to capital disclosures" will mainly require the Group to include additional disclosures about sensitivity analysis to market risk and capital disclosures in its annual full set of financial statements for the year ending 31 December 2007.

4 Segment Information

Primary reporting format – business segments

For the nine-month period ended 30 September 2007:

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	12,692	3,364	4,365	20,421
RESULTS				
Segment result (including fair value gains)	21,970	5,888	7,070	34,928
Unallocated corporate expenses				(3,273)
Unallocated corporate income				49
Operating profit				31,704
Interest income				1,599
Finance costs				(2,430)
Profit before income tax				30,873
Income tax expense				(1,519)
Profit for the period				29,354

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

4 Segment information - continued

For the nine-month period ended 30 September 2006:

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	9,397	3,264	2,931	15,592
RESULTS				
Segment result (including fair value gains)	13,051	6,413	5,297	24,761
Unallocated corporate expenses				(2,715)
Unallocated corporate income				31
Operating profit				22,077
Interest income				1,375
Finance costs				(1,379)
Profit before income tax				22,073
Income tax expense				(831)
Profit for the period				21,242

For the three-month period ended 30 September 2007

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	4,387	1,130	1,132	6,649
RESULTS				
Segment result (including fair value gains)	6,355	1,398	1,043	8,796
Unallocated corporate expenses				(1,208)
Unallocated corporate income				47
Operating profit				7,635
Interest income				391
Finance costs				(975)
Profit before income tax				7,051
Income tax expense				(542)
Profit for the period				6,509

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

4 Segment information - continued

For the three-month period ended 30 September 2006

	Offices	Logistics	Retail	Group
REVENUE				
Segment Revenue	3,811	1,098	985	5,894
RESULTS				
Segment result (including fair value gains)	5,705	2,450	2,211	10,366
Unallocated corporate expenses				(851)
Unallocated corporate income				11
Operating profit				9,526
Interest income				507
Finance costs				(569)
Profit before income tax				9,464
Income tax expense				(304)
Profit for the period				9,160

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

5 Investment Property

	Group	Company
Nine months ended 30 September 2006		
At beginning of period – 1 January 2006	213,417	213,417
Additions	9,143	9,143
Transfer from property, plant and equipment	78,933	78,933
Disposals	-	-
Net gain from fair value adjustments	9,590	9,590
At end of period – 30 September 2006	311,083	311,083
Nine months ended 30 September 2007		
At beginning of period – 1 January 2007	339,888	339,888
Additions – Eliade Tower	26,350	-
- other	5,260	5,260
Transfer from property, plant and equipment	573	573
Disposals	(1,293)	(1,293)
Net gain from fair value adjustments	15,305	15,305
At end of period	386,083	359,733

Investment properties are fairly valued on a quarterly basis based on management's assessment of market conditions in existence at each balance sheet date. In accordance with existing Greek REIC legislation, property valuations have to be supported by independent appraisals performed by the Greek Institute of Certified Appraisers ("SOE") for 30 June and 31 December each year. Valuations are based primarily on discounted cash flow projections due to the absence of sufficient current prices for an active market. The net increase in the fair value of the Group's investment properties for the current nine months period ended 30 September 2007 was mainly driven by lower discount rates caused by declining property investment yields.

In August 2007, the Company concluded the acquisition of Eliade Tower, an office building located on the northern side of Bucharest (Floreasca area) with a total gross leasable area of 9,704 sqm, at its fair value of €26,350 through the acquisition of the shares of a Romanian joint stock company (see Note 7).

On 23 July 2007, the Company completed the acquisition of two retail properties aggregating 791 sqm for the total purchase consideration of €4,325. These properties are located in Athens and are subject to existing operating leases entered into with EFG Eurobank Ergasias S.A for the lease of bank branch and AB Vassilopoulos for the lease of a supermarket.

Investment properties as at 30 September 2007 include three properties having an aggregate fair value of €45,889 (31/12/2006 - €43,940) which are held under finance leases.

There are restrictions on the ability of the Company to realise the carrying amounts of its investment property in certain circumstances under Greek Law 2778/1999 governing real estate investment vehicles and the distribution of unrealised fair value gains under Greek Company Law 2190/1920 (as amended).

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

6 Property, plant and equipment

Group

	Land and buildings	Fixtures and equipment	Property under development	Total
At 1 January 2006				
Cost	1,214	296	53,488	54,998
Accumulated depreciation	(52)	(142)	-	(194)
Net book amount	1,162	154	53,488	54,804
Period ended 30 September 2006				
Opening net amount at 1 January 2006	1,162	154	53,488	54,804
Additions	-	32	42,263	42,295
Depreciation charge	(16)	(25)	-	(41)
Transfer to land / buildings	319	-	(319)	-
Transfer to investment property	(1,146)	-	(77,787)	(78,933)
Closing net book amount at 30 September 2006	319	161	17,645	18,125
At 30 September 2006				
Cost	319	328	17,645	18,292
Accumulated depreciation	-	(167)	-	(167)
Net book amount	319	161	17,645	18,125
At 1 January 2007				
Cost	334	340	573	1,247
Accumulated depreciation	(2)	(178)	-	(180)
Net book amount	332	162	573	1,067
Period ended 30 September 2007				
Opening net amount at 1 January 2007	332	162	573	1,067
Additions	-	15	43,158	43,173
Depreciation charge	(3)	(30)	-	(33)
Transfer to investment property	-	-	(573)	(573)
Closing net book amount at 30 September 2007	329	147	43,158	43,634
At 30 September 2007				
Cost	334	355	43,158	43,847
Accumulated depreciation	(5)	(208)	-	(213)
Net book amount	329	147	43,158	43,634

In July 2007, the Company concluded the acquisition of a prime property located in the centre of Belgrade comprising office and retail spaces of 5,503 sqm for a consideration of €2,619, through the acquisition of the entire share capital of a Serbian joint stock company, Reco Real Property A.D. (see Note 7). The property is subject to existing operating leases with three tenants. Reco Real Property A.D. has contracted to further develop this property for an additional cost of €2,000 (see Note 17) in order to prepare it for its intended use as contemporary office and retail space.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

6 Property, plant and equipment - continued

Company

	Land and buildings	Fixtures and equipment	Property under development	Total
At 1 January 2006				
Cost	1,214	296	53,488	54,998
Accumulated depreciation	(52)	(142)	-	(194)
Net book amount	1,162	154	53,488	54,804
Period ended 30 September 2006				
Opening net amount at 1 January 2006	1,162	154	53,488	54,804
Additions	-	32	42,263	42,295
Depreciation charge	(16)	(25)	-	(41)
Transfer to land / buildings	319	-	(319)	-
Transfer to investment property	(1,146)	-	(77,787)	(78,933)
Closing net book amount at 30 September 2006	319	161	17,645	18,125
At 30 September 2006				
Cost	319	328	17,645	18,292
Accumulated depreciation	-	(167)	-	(167)
Net book amount	319	161	17,645	18,125
At 1 January 2007				
Cost	334	340	573	1,247
Accumulated depreciation	(2)	(178)	-	(180)
Net book amount	332	162	573	1,067
Period ended 30 September 2007				
Opening net amount at 1 January 2007	332	162	573	1,067
Additions	-	15	20,077	20,092
Depreciation charge	(3)	(30)	-	(33)
Transfer to investment property	-	-	(573)	(573)
Closing net book amount at 30 September 2007	329	147	20,077	20,553
At 30 September 2007				
Cost	334	355	20,077	20,766
Accumulated depreciation	(5)	(208)	-	(213)
Net book amount	329	147	20,077	20,553

Land and buildings comprise freehold owner-occupied property located at 6 Siniosoglou Street, Nea Ionia, used for administration purposes. In August 2006, the Company transferred the Investment Division and the Financial Services from 16, Laodikias Street, Athens to 6, Siniosoglou Street, Nea Ionia resulting in the transfer of the Laodikias property from Property, plant and equipment to Investment property.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

6 Property, plant and equipment - continued

On 15 June 2007, the Company acquired a property located in Nea Ionia (Greater Athens area) for future development as an investment property at a cost of €19,700 (excluding notaries and lawyers fees amounting to €377) from a third party of which €9,700 remained unpaid as of 30 September 2007 (see Note 12). This property has been financed from proceeds received from the initial public offering during March 2006 (see Note 10). The Company has contracted to further develop this property for an additional cost of €4,300 (see Note 17) in order to prepare it for its intended use as contemporary office space. The construction activities are expected to be completed by 30 November 2007.

The majority of the above property has already been leased to a multinational company with a leading presence in the cosmetics and beauty products sector, subject to satisfactory and timely completion of the construction works. The Company is currently in the process of negotiating the lease of the remaining property with various potential tenants.

7 Investment in subsidiaries

	<u>Country of incorporation</u>	<u>% of interest</u>	<u>30/9/07</u>	<u>31/12/06</u>
Reco Real Property A.D.	Serbia	100%	22,630	-
Eliade Tower S.A.	Romania	99.99%	11,915	-
			<u>34,545</u>	<u>-</u>

On 26 July 2007, the Company acquired the entire share capital of Reco Real Property A.D., for a purchase consideration of €22,630. Assets purchased upon acquisition comprised an investment property under development and cash balances of €2,619 (see Note 6) and €1, respectively. This transaction has been accounted for as a purchase of net assets in the condensed consolidated interim financial information

On 22 August 2007, the Company acquired 99.99% of the share capital of Eliade Tower S.A., an investment property company, based on the fair value of its underlying net assets which have been provisionally estimated at €1,915 together with the assignment of shareholders loans of €2,238 (see Note 8). This transaction has been accounted for as a purchase of net assets in the condensed consolidated interim financial information.

The assets and liabilities acquired upon acquisition are as follows:

Investment Property – Eliade Tower (Note 5)	26,350
Cash and bank balances	856
Other assets	153
Debt – bank borrowings (Note 11)	(12,697)
- Shareholder loans (Note 8)	(2,238)
Other liabilities	(509)
Total purchase price	<u>11,915</u>

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

8 Trade and other receivables

Trade and other receivables comprise:

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Trade receivables	1,980	2,092	1,847	2,092
Receivables from related parties (Note 18)	455	210	2,693	210
Advances for the purchase of assets	11,549	-	11,549	
Other receivables	2,537	2,665	2,453	2,665
	16,521	4,967	18,542	4,967
Less: non current portion	11,690	89	11,638	89
Current portion	4,831	4,878	6,904	4,878

Amounts receivable by the Company from related parties as at 30 September 2007 primarily comprise shareholder loans of €2,238 payable by the foreign subsidiary, Eliade Tower S.A. (see Note 7). These loans are interest free and are fully repayable by 31 December 2007.

Advances for the purchase of assets comprise:

Advances for the purchase of shares in foreign subsidiaries

During August 2007, the Company entered into two separate agreements with unrelated parties for the purchase, subject to certain conditions, of two Romanian joint stock companies engaged in the development of retail and office space in Bucharest and Iasi respectively. The total purchase consideration for the two companies is expected to be €50,500 on a debt free basis upon completion.

As of 30 September 2007, the Company made down payments of €8,900 which are secured by way of second ranking pledges over the respective shares in two companies. Completion of the two transactions is expected to take place no later than 28th February 2008. Conditions precedent for completion, inter alia, include: satisfactory and timely completion of the construction works in accordance with technical specifications, sub-division of land and transfer to a newco in one instance, regulatory approvals, tenant acceptance and signed leases and due diligence procedures. Risks associated with development of the two investment properties are retained by the sellers and may result in delay penalties or contract termination, in the event of absence of tenant acceptance, non-timely completion of construction works, *force majeure* or any unforeseen event.

Advances for the acquisition of investment properties

During August 2007, the Company entered into an agreement with its parent company to acquire nine investment properties, comprising retail and office spaces located in Athens, Iraklion and Larissa (all cities located in Greece), for a total purchase consideration of €1,630. In accordance with the agreement, the Company has paid an advance of €2,649 (including legal fees of €68) representing 5% of the purchase consideration. Risks and rewards associated with the properties are retained by the seller until such time as a definite agreement which is expected to be finalised by 31 December 2007, is concluded. The advance payment is fully refundable in the event that the sale and purchase transaction is not completed. The remaining balance of the purchase price of €49,049 is included in capital commitments (see Note 17).

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

9 Cash and cash equivalents

Cash and cash equivalents comprise:

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Cash in hand	3	2	3	2
Cash at bank	25,688	72,899	23,668	72,899
	25,691	72,901	23,671	72,901

10 Share Capital

The movement of the share capital and the share premium is as follows:

	Number of shares (thousands)	Ordinary shares	Share premium	Total
At 1 January 2006	18,890	40,235	153,923	194,158
Proceeds from initial public offering	5,510	11,737	74,220	85,957
Costs associated with initial public offering	-	-	(6,181)	(6,181)
At 30 September 2006	24,400	51,972	221,962	273,934
At 1 January 2007	24,400	51,972	221,962	273,934
Costs associated with contemplated share capital increase	-	-	(2,564)	(2,564)
At 30 September 2007	24,400	51,972	219,398	271,370

The total authorised number of ordinary shares is 24,400 thousands (30 September 2006 - 24,400 thousands) with a par value of €2.13 per share. All shares are fully paid up.

On 7 February 2006, the shareholders approved the combined offering of 5,510 thousand new ordinary registered shares and 1,780 thousand existing ordinary registered shares owned by REIB Europe Investments Limited in Greece and abroad. On 12 April 2006 the Company's shares commenced trading on the Athens Stock Exchange. The net proceeds from the Initial Public Offering amounted to €78,918 (net of costs of approximately €7,039 of which €358 were previously recognised and deducted from share premium as of 31 December 2005).

The Company will continue to use the unutilised proceeds from the initial public offering to acquire additional investment properties in accordance with its investment strategy. As at 30 September 2007, the Company had an amount of €4,000 of unutilised proceeds which are already committed funds for existing property acquired in June 2007 (see Note 6).

The Company is contemplating an share capital increase of ordinary shares on the Athens Stock Exchange (see Note 19). Incremental costs of €2,564 directly attributable to the contemplated offering of new shares were incurred by the Company for the period ended 30 September 2007; these costs have been shown as a deduction from share premium.

The Company does not operate a shared based compensation scheme nor do any of its employees participate in its parent company's group share based compensation scheme.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

11 Borrowings, including obligations under finance leases

Movements in borrowings are analysed as follows:

	Group	Company
Nine months ended 30 September 2006		
Opening amount as at 1 January 2006	42,826	42,826
Proceeds from borrowings	6,500	6,500
Repayments of borrowings	(1,251)	(1,251)
Closing amount as at 30 September 2006	48,075	48,075
Nine months ended 30 September 2007		
Opening amount as at 1 January 2007	54,265	54,265
Proceeds from borrowings	5,500	4,000
Loans assumed under net asset transaction	12,697	-
Repayments of borrowings	(1,082)	(1,082)
Closing amount as at 30 September 2007	71,380	57,183

During the nine months period ended 30 September 2007, additional borrowings of €5,500 and €4,000 were drawn down by the Group and the Company respectively, for purposes of financing additional construction costs associated with investment properties under development (see Note 6). The loan of €1,500 assumed by Reco Real Property A.D. is secured over the company's investment property.

A loan of €12,697 was assumed by the Group when it completed the purchase of the net assets of Eliade Tower S.A. during August 2007 (see Note 7). This loan is secured over the Eliade Tower investment property (see Note 6), attracts interest at 3 or 6 month Euribor plus spread of 2.15%. The loan is repayable in full in March 2011.

12 Trade and other payables

Trade and other payables comprise:

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Trade payables	10,478	2,367	10,429	2,367
Other payables and accruals	10,774	1,738	10,596	1,738
Amounts due to related parties (Note 18)	2,661	2,436	2,661	2,436
	23,913	6,541	23,686	6,541

Trade payables as at 30 September 2007 primarily comprise the balance of the purchase price amounting to €9,700 under the sale and purchase agreement for the Nea Ionia investment property acquired during June 2007 (see Note 6).

Other payables and accruals as at 30 September 2007 primarily comprise the balance of the purchase price amounting to €7,630 under the sale and purchase agreement for shares in Reco Real Property A.D. acquired during July 2007 (see Note 7) and accrued costs of €1,698 relating to the contemplated share offering (see Note 10).

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

13 Income tax expense

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Domestic taxes	1,519	831	542	304
Foreign taxes	-	-	-	-
	1,519	831	542	304

The Company is exempted from corporate income tax under Greek REIC legislation and is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1% (The taxation formula is as follows: 10% * (ECB reference rate + 1%)). The above tax is final and relieves the Company and its shareholders any further tax liabilities.

The Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 10% (Serbia) and 16% (Romania) applicable to each respective tax jurisdiction. No significant foreign income tax expense was incurred during the 3rd quarter ended 30 September 2007.

14 Dividends per share

On 23 March 2007 the Company's shareholders approved a dividend of €0.64 per share amounting to €15,616 in respect to 2006, including the interim dividend paid in December 2006 of €0.29 per share amounting to €7,076. As of 30 September 2007 total dividends amounting to €8,522 were paid to shareholders.

15 Earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Profit attributable to equity holders of the Company	29,354	21,242	6,509	9,160
Weighted average number of ordinary shares in issue (thousands)	24,400	22,462	24,400	22,462
Basic earnings per share (€per share)	1.20	0.95	0.27	0.41

There were no dilutive potential ordinary shares. Therefore, the dilutive earnings per share is the same as the basic earnings per share for all periods presented.

16 Contingent Liabilities

There were no new contingent liabilities for the period ended 30 September 2007 and no further significant developments in respect to the contingent tax matters in existence as at 31 December 2006 as more fully disclosed in the annual financial statements for the year ended 31 December 2006.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

17 Capital Commitments

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Development of investment properties (Note 6)	6,716	2,014	4,716	2,014
Acquisition of investment properties (Note 8)	49,049	-	49,049	-
Acquisition of foreign subsidiaries (Note 8)	41,600	-	41,600	-
	97,365	2,014	95,365	2,014

18 Related Party Transactions

The Company is controlled by EFG Eurobank Ergasias (incorporated in Athens and listed on the Athens Stock Exchange, Greece), which owns 54.88% of the Company's shares. A further 10.22% of the Company's shares are held by Lamda Development S.A., a company related to EFG Eurobank Ergasias. The ultimate parent company of the Company is EFG Bank European Financial Group, a bank incorporated in Switzerland. All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Company.

The following transactions were carried out with related parties:

(a) Rental income received and sale of services – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Rental income received				
Parent (EFG Eurobank Ergasias S.A.)	6,676	4,670	2,292	1,954
Subsidiaries of parent company	1,108	141	374	119
Associates of parent Company	59	88	20	29
	7,843	4,899	2,686	2,102

(b) Purchase of services and property development works – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Management fees				
Parent (EFG Eurobank Ergasias S.A.)	1,711	1,236	695	463
Valuations and Brokerage Fees				
Subsidiary of parent company (Eurobank Property Services)	37	-	10	-
	1,748	1,236	705	463

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

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

(c) Financing costs incurred on borrowings – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Bank Borrowings				
Parent (EFG Eurobank Ergasias S.A.)	738	106	288	84
Obligations under finance leases				
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	1,404	1,134	490	433
	2,142	1,240	778	517

(d) Advances for the acquisition of investment properties – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Advances for the acquisition of investment properties				
Parent (EFG Eurobank Ergasias S.A.) (Note 8)	2,581	-	2,581	-

(e) Interest income earned on cash and cash equivalents – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Parent (EFG Eurobank Ergasias S.A.)	1,598	1,313	391	506

(f) Transfer under financing arrangements

Group

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Net cash transfers in/(out) under financing arrangements				
Parent (EFG Eurobank Ergasias S.A.)	4,000	6,500	-	6,500
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1,500	-	1,500	-
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(965)	(1,128)	(326)	(379)
	4,535	5,372	1,174	6,121

Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Net cash transfers in/(out) under financing arrangements				
Parent (EFG Eurobank Ergasias S.A.)	4,000	6,500	-	6,500
Subsidiary of parent company (EFG Eurobank Ergasias Leasing SA)	(965)	(1,128)	(326)	(379)
	3,035	5,372	(326)	6,121

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

(g) Key management compensation – Group and Company

	Nine months ended		Three months ended	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Salaries and other short-term employee benefits	262	59	87	20

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

	Group		Company	
	30/09/2007	31/12/2006	30/09/2007	31/12/2006
Trade receivables from related parties				
Parent (EFG Eurobank Ergasias S.A.)	299	56	299	56
Subsidiaries	-	-	2,238	-
Other related parties	156	154	156	154
	455	210	2,693	210
Trade payables to related parties				
Parent (EFG Eurobank Ergasias S.A.)	2,211	1,927	2,211	1,927
Other related parties	450	509	450	509
	2,661	2,436	2,661	2,436
Borrowings, including finance lease obligations				
Parent (EFG Eurobank Ergasias S.A.)	18,000	14,000	18,000	14,000
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1,500	-	-	-
Subsidiary of Parent Company (EFG Eurobank Ergasias Leasing SA)	36,232	37,081	36,232	37,081
	55,732	51,081	54,232	51,081
Cash and cash equivalents				
Parent (EFG Eurobank Ergasias S.A.)	23,612	72,843	23,612	72,843
Subsidiary of Parent Company (Eurobank EFG Stedonica A.D., Beograd)	1,512	-	-	-
	25,124	72,843	23,612	72,843

(i) Commitments and Contingencies

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

19 Events after the balance sheet date

The Company's management is contemplating a further offering of new ordinary shares for purposes of funding new investment property acquisitions in Greece and abroad. The contemplated offering of shares was approved by the Company's shareholders at its Extraordinary General Meeting on 3 September 2007. The offering is expected to be completed during November 2007 and result in gross proceeds of approximately €350,000.

20 Seasonality

The Group's rental income is not subject to seasonal fluctuations.

Selected notes to the condensed interim financial information

All amounts expressed in €000s unless otherwise stated

21 Comparative Income Statement Financial Information

The prior period comparative company income statement financial information for the three month period ended 30 September 2006 has been restated to show the effects of the net gain from the change in the fair value of the Company's investment property portfolio attributable to such period based on management's assessment of the market conditions in existence at the end of such quarter instead of recognising such gains in the second and fourth quarters when they are supported by independent appraisals. The effect of this restatement has resulted in an increase in net income for the quarter ended 30 September 2006 of €6,635 and an increase in investment properties, current income tax liabilities and shareholders' equity as of 30 September 2006 by €6,637, €2 and €6,635, respectively. Consequently, the Company's net income for the comparative three-month period ended 30 September 2006 increased from €2,525 to €9,160.

Certain comparatives previously presented in the income statement have been reclassified in order to better present the company performance. Interest income, previously presented within operating profit, have been reclassified and is now shown within financing activities.

Report on Review of Interim Financial Information

To the board of directors of Eurobank Properties REIC

Introduction

We have reviewed the accompanying consolidated and separate condensed balance sheets of Eurobank Properties REIC as of 30 September 2007 and the related consolidated and separate condensed statements of income, changes in equity and cash flows for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". 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 Greek Auditing Standards 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 consolidated and separate condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting"

PricewaterhouseCoopers

19 October 2007

Athens, Greece