



## Grivalia Properties REIC

ANNUAL CONSOLIDATED AND COMPANY FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

**This financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.**

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**Statement of the members of the Board of Directors****according to the article 4, par.2 of the Law 3556/2007**

To the best of our knowledge, the Annual Report of Grivalia Properties REIC for the year ended December 31, 2014 complies with applicable accounting standards, and presents fairly the assets, liabilities, equity and income statement of the Company and the Group.

Furthermore, to the best of our knowledge, the Annual Directors' Report for the year presents fairly the development, the performance and the status of Grivalia Properties REIC and its subsidiaries, including the major risks and uncertainties they face.

Maroussi, January 28, 2015

The undersigned

Nikolaos A. Bertzos

Georgios Chryssikos

Georgios Katsibris

Chairman of the BoD  
Non-executive member of the BoD

Chief Executive Officer  
Executive member of the BoD

Independent non-executive  
member of the BoD

**ANNUAL DIRECTORS' REPORT OF  
«GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY»  
FOR THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Dear Shareholders,**

According to Law 3556/2007 and Law 2190/1920 we present the Board of Directors' annual report of "Grivalia Properties REIC" for the Consolidated and Company Financial Statements for the year ended December 31, 2014. This report contains the information required from paragraph 7 & 8 of article 4 of Law 3556/2007, the report of Corporate Governance according to article 2 paragraph 2 of Law 3873/2010, the Annual Consolidated and Company Financial Statements for the year 2014, the notes on these financial statements based on IFRS, and the audit opinion of the independent auditors.

**GROUP FINANCIAL POSITION**

The year 2014, was characterized by increased investment activity in Greece and the economy showed marginal positive growth rates in the third and fourth quarter of the year. The proclamation of the elections at the end of 2014 triggered an instability in the markets which is expected to ease by the election of the government and its commitment to the country's European course. Furthermore, the recent decision of the European Central Bank for the initiation of a large scale bond buying program (sovereign and private) of €60 billion every month until September 2016 aims through providing liquidity to tackle the deflation problem and at the same time assist growth by stimulating active demand in the euro area economy. The integration of Greek bonds in that quantitative easing program is expected to take place as from July according to recent statements by ECB Governor given that the Greek bonds maturing and held by the ECB are redeemed and the country remains in a program.

In this economic environment, the commercial real estate sector in which the Group is operating showed a stabilizing trend. This is reflected in the Group's financial results for the year 2014. Additionally, the Group successfully managed credit risk, maintained high occupancy rates (over 96%) and returned to increased profitability. The Group remained committed to its strategy by maintaining high investment standards confirmed by the significant investments completed in 2014 of a total amount of €210 million and at the same time seeking new investment opportunities to invest its liquidity.

The year 2014 was also characterized by the stabilization in property values resulting to an increase in our portfolio value by €4.872 compared to losses of €43.151 in 2013.

As at 31/12/2014 Group's portfolio consisted of seventy five (75) properties. Most of Group's portfolio properties are located in Greece, fifty (50) located in the greater Athens area, nineteen (19) located in other major cities and one (1) plot of land in Spata. In Central and Eastern Europe, the Group owns two (2) commercial properties in Serbia and three (3) in Romania.

As at 31/12/2014, the investment portfolio of Group's properties consisted of approximately 619,129 sq.m. with a fair value of €729,301 as assessed by certified appraisers of the companies AVENT S.A. (NAI HELLAS) and Savills Hellas Ltd.

**Revenue:** Group's revenue for the year ended December 31, 2014 amounted to €50,636 compared to €36,925 for the previous year, showing an increase of €13,711 or 37%, compared to 5% decrease of the previous year. The increase is derived from our new investment while for the properties existing as at 31/12/2013 rental income has decreased due to the re-negotiation of the agreements during the second semester of 2013.

**Net gain/ (loss) from fair value adjustments on investment property:** Group's net gains from fair value adjustments on investment property for the year ended December 31, 2014 amounted to €4,872 compared to €43,151 loss for the previous year. Fair value gains resulted from the adjustment of €6,160 in the values of new investments, whereas the fair value of the properties of the existing portfolio of 2013 presented losses of €1,288.

**Operating profit/ (loss):** Group's operating profit for the year 2014 amounted to €48,842 compared to €1,695 loss for the previous year. Group's operating profit, excluding net gain/ (loss) from fair value adjustments on investment property, provisions for bad debts and other income, amounted to €43,883 compared to €32,092 for the previous year, showing an increase of €11,791 or 37%. The increase is mainly due to the increase in revenue.

**Interest Income:** Group's interest income for the year 2014 amounted to €6,176 compared to €7,286 for the previous year, showing a decrease of €1,110 or 15%. The decrease is due to the lower term deposit rates prevailing during the year.

**Finance costs:** Group's finance costs for the year 2014 amounted to €2,084 compared to €2,180 for the previous year, showing a decrease of €96 or 4%. The decrease is due to the reduced outstanding loans and the reduced Euribor rates during the year.

**Negative goodwill arising from subsidiary's acquisition:** As at 31.12.2013 the company acquired 100% of the share capital of the company Cloud Hellas Ktimatiki S.A. This acquisition had a positive impact on Group's results amounting to €3,050, out of which €1,253 was recorded in the current year.

**Taxes:** Group's tax expenses for the year 2014 amounted to €4,192, compared to €2,725 for the previous year, showing an increase of €1,467 or 54%. The increase is mainly due to the imposition of the aggregate tax on property that replaced the extraordinary tax on property according Law 4021/3-10-2011 as well as property tax.

As described in note 23 of the Annual Consolidated and Company Financial Statements, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at a tax rate of 10% of the aggregate European Central Bank reference rate plus 1%.

**Profit/ (loss) after tax:** As a result of the above, profit after taxes for 2014 amounted to €49,995 compared to €2,736 for the previous year.

**Treasury Shares:** The Company, based on the decision of the Extraordinary Shareholders Meeting dated on November 08, 2013, disposed the pre-emption rights of 1.150.571 own shares through Athens Stock Exchange. Specifically, on January 14, 2014 the Company disposed 994.320 pre-emption rights at a value of €1.591 and on January 15, 2014, the Company disposed 156.251 pre-emption rights at a value of €250.

The Company in 2014 purchased 40,415 own shares of a total cost of €305 with an average price of (amount in €) €7.55 per share, according to the Annual General Meeting of the Shareholders dated April 14, 2014 which approved the purchase of own shares for an additional period of two years and up to an amount of 2,000,000 shares at a maximum price of (amount in €) €15 per share and a minimum price of (amount in €) €2.13, in accordance with article 16 of Law 2190/1920 as it was amended by Law 3604/2007. As at December 31, 2014 the Company owned 1,190,986 own shares of a total cost of €7,040 with an average price of (amount in €) €5.91 per share.

### Basic Ratios

The Group evaluates the results and performance on a monthly basis identifying timely and effectively variances from the objectives and taking corrective measures when this is necessary. Group's performance is measured using the following financial performance indicators which are internationally used :

	31.12.2014	31.12.2013
<b>Liquidity Ratios</b>		
Current Ratio	12x	2.8x
<b>Leverage Ratio</b>		
Total debt to Total Assets	7%	16%
Loans to value (L.T.V.)	9%	22%
<b>Market Ratios</b>		
NAV (amount in €)	€8.45	€10.34

## Funds from Operations

	31.12.2014	31.12.2013	Movement	%
Funds from Operations (F.F.O.)	43,953	33,827	10,126	30%

## SIGNIFICANT EVENTS DURING THE YEAR

1. As at November 08, 2013, the Extraordinary Shareholders Meeting decided the Share Capital Increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40.260.000 new common registered shares, of a nominal value of (amount in €) €2,13 and issue price of (amount in €) €4,80 each. The Share Capital Increase which started on January 14, 2014, was successfully completed and fully covered on January 31, 2014. As a consequence, Company's Share Capital was increased by €85.754 through the issuance of 40.260.000 new common shares and the resulting difference of €107.494 was credited to a special reserve "share premium account" as provided by law.

Following the completion of the Share Capital Increase of the Company and the listing of the new shares in the Athens Stock Exchange on February 6, 2014, the Company's shareholder structure with stakes over 5% is as follows:

• Fairfax Financial Holdings Limited	41.50%
• Eurobank Ergasias SA	33.95%
• Fidelity Management & Research LLC	5.80%

On June 25, 2014, parent company Eurobank Ergasias S.A. sold 13,636,848 registered ordinary Company shares with voting rights, which amount to 13.47% of a total amount of €19,322 of the Company's share capital of a total amount and consequently today holds directly and indirectly through fully controlled subsidiaries, 20,742,130 registered ordinary Company shares with voting rights, which amount to 20.48% of the Company's share capital. Company's share composition of persons that on 30.06.2014 exceeds the 5%, according to the received notification statement in TR-1 form made by these obligated persons, is the following:

• Fairfax Financial Holdings Limited	41.50%
• Eurobank Ergasias SA	20.48%
• Wellington Management Company LLP	11.16%
• Fidelity Management & Research LLC	5.84%

The abovementioned percentage of Fairfax Financial Holdings Limited includes Wentworth Insurance Company Limited (subsidiary of Fairfax Financial Holdings Limited) which owns directly 5.278.797 common shares amounting to 5,21% of Company's Share Capital. Also Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited) is included which owns directly 9.596.988 common shares amounting to 9,48% of Company's Share Capital.

Fairfax Financial Holdings Limited and Eurobank Ergasias SA have entered into a Shareholders' Agreement, which regulates their relationship as major shareholders of the Company. They have acquired specific rights from the Shareholders Agreement which depends on the relative time period. From the date of signing of the shareholders agreement until the earliest ( I ) of the date on which the participation of Eurobank Ergasias SA in the share capital of the Company falls below 20 %, and ( II ) of the date of 06.30.2020 (Initial Period ), the parties will implement a common policy regarding management of the Company. After the expiry of the initial period, Fairfax Financial Holdings Limited will automatically and ipso jure acquire the control of the Company and the parties will cooperate on the issues of the composition of the B.o.D, the Investment Committee, other Committees of the Company as well as to the dismissal / hiring of the Chief Executive Officer. If the percentage of Eurobank Ergasias SA falls below 20 % but it remains above 5 % , then it has the right to exercise a veto on certain strategic issues. Eurobank Ergasias S.A. will cease to have any veto rights after the lapse of 18 months from the expiry of the initial period regardless its shareholding percentage in the Share Capital of the Company.

2. On 27.02.2014, the share capital increase of Cloud Hellas Ktimatiki S.A. a Group subsidiary 100% , was successfully completed for a total amount of € 50,000 through payment in cash. The subsidiary on 28.2.2014 prepaid in full its existing outstanding bond loan and became free of liabilities.

3. On 6.3.2014 and 20.3.2014 the Company acquired 2 out of the 3 warehouses in Aspropyrgos, Attica, following the agreement dated 23.12.2013 for the acquisition of a portfolio of 3 warehouses. It is noted that the financial, fiscal, legal and technical due diligence for the third warehouse is still in progress. The total price paid by the Company amounted

to €14,200, respectively €5.880 and €8.320 for each warehouse. According to the reports of independent appraisers the values of the two properties as at acquisition date amounted to €7.770 and €10.770, respectively.

4. On 14.04.2014, Company's shareholders approved the distribution from previous years retained earnings of a dividend of €18.222 from retained earnings of past years (€0.18 euro per share).

5. On 12.05.2014 the Company acquired a portfolio of 14 assets from the Hellenic Republic Asset Development Fund and their respective lease to the Hellenic Republic for 20 years, was concluded and the relevant sale and lease deeds were signed. The price paid for the acquisition of the portfolio amounted to €145.810 plus €353 acquisition costs. The total surface of the properties is approximately 189,000.00 sqm.. The major assets of the portfolio are the Ministry of Education and Religious Affairs, Ministry of Health, Ministry of Justice, Transparency and Human Rights and Athens Police. This deal contributes to the further diversification of Company's property portfolio.

6. The Company was renamed to Grivalia Properties REIC pursuant to the decision K2-4690/30.9.2014 of the Vice-Minister of Development and Competitiveness, that approved the amendment of article 1 of its Articles of Association regarding trade name, as previously approved by the Extraordinary Shareholders Meeting dated 28.08.2014.

7. The Extraordinary Shareholders Meeting dated 28.8.2014 granted its permission to the Company to acquire a property from Praktiker Hellas SA pursuant to article 28 par. 4 of Law 2778/1999 as in force. It regards a plot located at Mandra of Attica, of extent 36,614.30 sq.m., on which a building of total extent of 12,442 sq.m. is constructed, that serves as a store of technical and household equipment of Praktiker chain. The plot has a remaining buildable surface of 2,225 sq.m. The acquisition price has been agreed to 6,500,000 euros. The said property has been valued by two certified valuers at 8,022,000 and 7,905,000 euros, respectively, pursuant to the relevant valuation reports dated 31.07.2014.

8. The Board of Directors, in its meeting dated 03.11.2014, resolved to the distribution of an interim dividend for year 2014 amounting to 0.10 euro per share (net).

## **SUBSEQUENT EVENTS**

Until the date of approval of financial statements no significant events have taken place that affect the financial position of the Company on December 31, 2014.

## **OUTLOOK**

The prospect of recovery of the real estate market is significantly affected by the decline of uncertainty for the Greek economy and reinforcement of the prospects for improvement. It is directly related to the macroeconomic and microeconomic environment, the return of liquidity in the country and the financial and fiscal stability. The year 2014 was marked by increased investment activity in the sector and stabilization of the market values compared to previous years. Particularly, the trend of stabilization of the commercial real estate values mainly applies to prime assets, while as for secondary assets, the pressure on their values and rents is expected to continue.

Revenues from leases of the Group for 2015 are expected to further increase as a result of the new investments concluded in 2014.

The Company intends to invest the proceeds of the Share Capital Increase concluded on the first semester 2014 according to the provisions of Law 2778/1999, as amended, and to its investment policy and strategy within 36 months. The investment objectives of the Company for the proceeds from and in general, are particularly, investments in commercial real estate in prime locations. During the current year, significant investments were completed, and we expected that attractive investment proposals in the following years will appear. The Group expects to implement its significant investment plan over the next years, and also has a direct view to upgrade part of its portfolio on the basis of European standards for "green buildings".

Our Company is consistently focused on its investment objective of creating long term value for its shareholders. The high quality portfolio which produces steady income, low LTV and high liquidity establishes the Company as a key player in Greece and New Europe.

## SIGNIFICANT RISKS

### Fluctuations in Property Values:

Fluctuations in property values are reflected in the Income Statement and Balance Sheet depending on the market value of our commercial properties. During the reference period, the Group recorded gains from fair value adjustments. The fluctuations of market values have a significant impact on Group profitability and assets. The Company enters into long-term leases with quality tenant

### Non-Performance of Tenants:

Income may be adversely affected by the non-performance of tenants. However, the Group has a diversified portfolio consisting mainly of reputed Companies in Greece and Central Eastern Europe and this should minimise the impact of the non-performance of any individual tenants.

### Interest rate risk

Group's interest rate risk arises from long-term finance leases, bank borrowings with variable rates and the high volume of capital investments in term deposits which the Group holds.

### Inflation Risk

Group's exposure to inflation risk is limited as the Group in general enters into long term operating lease agreements with most tenants for 12 years. The annual rental increases are linked to the Greek CPI and the HICP and in the case of deflation there is no negative impact to the Company's income.

### Regulatory and Compliance Risks:

As mentioned above, the Company has invested in South-eastern Europe. The Company has investments in Romania and Serbia. A lack of understanding of the local regulatory environment could result in increased international and local taxes or other regulatory sanctions. For mitigating these risks, we contract local consultants such as legal advisors and local accountants to offer us advice regarding the regulatory environment, as well as our rights and obligations, both before and after a new investment.

### External Environmental Factors

The Company has investments in Greece, Romania, and Serbia. The Company can be affected in general by external factors such as political instability, economic uncertainty, and changes in tax regulations.

## RELATED PARTY TRANSACTIONS

All transactions from and to with related parties are executed under the prevailing market terms. The significant related party transactions, as defined by IAS 24 are fully disclosed in note 28 of the Consolidated and Company Financial Statements for the year ended December 31, 2014.

## CORPORATE GOVERNANCE

### I. Corporate Governance Code

The Company, pursuant to Law 2190/1920 as amended by Law 3873/2010 has enacted and implements a Corporate Governance Code which can be found in its website [www.grivalia.com](http://www.grivalia.com)

### Corporate Governance principles that the Company follows in addition to laws and regulations

The B.o.D has formed a Remuneration – Nomination Committee and it has delegated to it the responsibility to consider matters relating in one hand to executive and key management personnel remuneration, including remuneration policy, employee benefits and long-term incentive schemes and on the other hand to assess the competency, effectiveness and performance of directors, as well as to consider the recommendation on the appointment of key executives to the parent company as well as its affiliates.

The majority of the members of the B.o.D are non- executive.

The B.o.D has put in place a process of the self-assessment of the BoD and all its Committees at least once in every two years.

The above best practices are an integral part of the Company's Corporate Governance Code which can be found in its site [www.grivalia.com](http://www.grivalia.com)

## **II. Description of the internal control and risk management system with regard to the preparation of the financial statements**

### **Internal Control**

The directors are responsible for reviewing the effectiveness of the Company's system of internal control, including internal financial control, which is designed to provide reasonable, but not absolute, assurance regarding (a) the safeguarding of assets against unauthorized use or disposition (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may be reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

### **Code of Business Conduct**

The Company maintains a Code of Business Conduct and Ethics which applies to all employees and is signed by all employees.

### **Organizational Structure**

A clear organization structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through the rigorous recruitment policies and performance appraisal system.

### **Roles and Responsibilities**

There are documented approval limits by the Board of Directors for all forms of payments, receipts, bank transfers, and also other responsibilities relevant to the Company's current assets

### **Information Systems**

Information systems are developed to support the Company's long-term objectives. Appropriate policies and procedures are in place covering all significant areas of the business.

### **Planning & Monitoring**

There are sufficient detailed annual budgets, which are subject to adequate scrutiny.

Comparisons are made between actual, historical and budgeted expenditures with adequately detailed explanations obtained for all significant variances.

### **Management Accounting System**

An adequate management accounting system is in place providing management with financial and operational performance measurement indicators. Detailed management accounts are prepared monthly to cover each major area of the business

Variances from plan and previous forecasts are analyzed, explained and acted on in a timely manner. As well as regular Board discussions, monthly meetings are held by the Management Board to discuss performance.

### **Internal control framework**

Effective corporate governance remains key to the business. The Company continues to review its internal control framework to ensure it maintains a strong and effective internal control environment.

A risk-based audit plan, which provides assurance over key business processes and financial risks facing the Company, is approved by the Audit Committee yearly.

Specific operating procedures have been established for areas with high risk of fraud, including areas related with transactions with suppliers and payments (e.g. procurement policy and banking policy). These procedures describe all decision-making processes by the appropriate company officials.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors report its findings to the Board. Where weaknesses are identified, the Audit Committee ensures that management takes appropriate action.

### **Risk Management**

The Company has a structure and process to help identify, assess and manage risks. Weekly management meetings attended by the Chief Executive Officer and all Senior Managers review current issues including issues relating to financial reporting and fraud.

### **III. Additional information pursuant to sections (c), (d), (f), (g) and (h) of article 10 par. 1 of the 2004/25/EK Directive**

- The additional information pursuant to section (c) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.
- With regard to the additional information pursuant to section (d) of article 10 par. 1 of the 2004/25/EC Directive, there is not any kind of titles issued by the Company which confer special control rights to their holders.
- With regard to the additional information pursuant to section (e) of article 10 par. 1 of the 2004/25/EC Directive, there does not exist any limitations whatsoever with regard to voting rights.
- With regard to the additional information pursuant to section (f) of article 10 par. 1 of the 2004/25/EC Directive, any amendment of the Articles of Association of the Company needs to be approved by the General Shareholder Meeting as stipulated by Law 2190/1920. Following the proposal of the BoD, the BoD members are elected by the General Shareholder Meeting. In case of replacement of one of the members of the BoD, the BoD takes the decision and its decision is validated by the next General Shareholder Meeting.
- The additional information pursuant to section (g) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.

### **IV. Information about the General Shareholders Meeting.**

- **Basic Authorities**

The General Shareholders Meeting is the supreme body of the Company. It is convoked by the BoD and has the authority to decide all Company matters. Pursuant to the relevant legislation all shareholders are entitled to attend the Shareholders Meeting either in person or by an authorized representative.

- **Mode of operation, description of the rights of the shareholders and how these can be exercised**

The BoD ensures that the preparation and the conduct of the General Shareholders Meeting facilitate the effective exercise of the rights of the shareholders. The shareholders are informed in advance of all the issues that relate to their attendance of the General Shareholders Meeting including the agenda and the rights they have during the course of the General Shareholder Meeting. Specifically, as regards to the preparation of the General Shareholders Meeting and

pursuant to the provisions of Law 3884/2010, the Company publicizes on its website at least 20 days prior to the General Shareholders Meeting both in Greek and in English, information relating to :

- The date, time and place of the convocation of the General Shareholders Meeting
  - The basic rules and practices regarding the participation of the shareholders, including the right to introduce topics in the agenda, to make enquiries and the deadline for the exercise of these rights,
  - The voting procedure, the terms and conditions for proxy voting and the necessary forms and documents for proxy voting
  - The proposed agenda of the General Shareholder Meeting, including draft resolutions and any other accompanying documents
  - In case of election of BoD members, the list of the proposed persons along with their resumes
  - The total number of shares and voting rights at the time of the convocation of the General Shareholders Meeting,
- i The Chairman of the BoD, the Chief Executive Officer and the Chairman of the BoD Committees should attend the General Shareholders Meeting and provide shareholders with all necessary information with regard to the items of the agenda and to the questions posed by the shareholders. The internal auditor of the Company should also be present at the General Shareholders Meeting.
- ii During the General Shareholders Meeting, the Chairman of the BoD temporarily takes the chair. One or two of the shareholders or the authorised representatives of the shareholders which are present at the General Shareholder Meeting are afforded by the Chairman the duties of temporary secretaries.
- iii Following the validation of the list of shareholders which have the right to vote at the General Shareholder Meeting, the General Shareholder Meeting elects the final Chairman and secretaries which have the duty to collect the votes of the shareholders. The decisions of the General Shareholder Meeting are made in accordance with the provisions of the Company's Articles of Association and of the relevant legislation.
- iv Excerpts of the minutes of the General Shareholder Meeting are made available on the Company website within 15 days as of the end of the General Shareholder Meeting in both Greek and English.
- v Every shareholder that is recorded as such in the records of the custodian of the Company shares is entitled to attend and vote as the General Shareholder Meeting. For the shareholder to exercise the above rights there is no need to have its shares reserved or to follow a similar procedure. The shareholder may authorise another person if he so desires. Other than that, the Company fully complies with the provisions of Law 2190/1920 (article 28a).

## V. Information about the BoD and its Committees.

### a) Composition and mode of operation of the BoD

The company is managed by a BoD that consists from seven (7) at minimum to eleven (11) at maximum, members. The majority of the members should be non-executive out of which, at least two (2) should be independent non executive. All the BoD members are elected by the General Shareholders Meeting which also sets their term of office. A legal person may also be elected as member of the BoD.

The present composition of the BoD consists of the following eleven (11) members:

Nikolaos A. Bertzos:	Chairman, Non-executive
Petros Katsoulas:	Vice Chairman A', Non-executive member
Wade Sebastian Burton :	Vice Chairman B', Non-executive member
Georgios Chryssikos:	Chief Executive Officer, Executive member
Platon Monokrousos-:	Non-executive member
Georgios Bersis:	Non-executive member
Ignace- Charles Rotman:	Independent, Non-executive member
Georgios Katsibris:	Independent, Non-executive member
Georgiose Papazoglou:	Independent, Non-executive member
Dimitrios Papadopoulos:	Independent, Non-executive member
Takis Kanellopoulos:	Independent, Non-executive member

The BoD elects from its members the Chairman and one (1) up to three (3) Vice-chairmen. If the Chairman is absent, or cannot perform his duties, he is substituted by the first in line Vice-chairman. In case the Vice-chairman A is absent, or cannot perform his duties, he is substituted by the next in line Vice-chairman or by another member of the BoD pursuant to a decision of the BoD.

The BoD can meet apart from the Company's registered seat, anywhere else that owns a business settlement or a subsidiary company. The BoD can also meet via teleconference. The BoD meets as often as necessary so as to ensure the effective exercise of its duties and responsibilities.

At the BoD meetings the Chairman takes the chair. The Chairman may, if he wishes so, appoint a Secretary of the BoD. The BoD takes decisions with the majority of the present or the duly represented members. The minutes of the meetings are signed either by the Chairman, or by each of the Vice-chairman or by the Chief Executive Officer of the Company or by the Secretary of the BoD. Each of the above persons is entitled to issue certified copies or excerpts of the minutes.

## **b) Composition and mode of operation of the BoD Committees**

### **Audit Committee**

c) Company's Audit Committee role as a sub-committee of the BoD is to provide assistance to the BoD with respect to the fulfilment of its supervisory duties regarding the procedures for reviewing the financial statements, the compliance of the Company with the legal and regulatory regime, the assessment of the Company's internal control environment and the supervision of the internal & external auditors.

d) The members of the Audit Committee are appointed by the General Shareholders Meeting following the proposal of the BoD. The Audit Committee is made up of at least two (2) non executive members and of an Independent non executive member who chairs its meetings. The Chairman of the Audit Committee should have an in-depth knowledge of financial reporting and accounting issues.

e) The Audit Committee meets as often as it is necessary, but in any case at least four (4) times a year, following an invitation made by its Chairman and meets with the Internal auditor of the Company at least twice a year without the presence of members of the management of the Company.

The current composition of the Audit Committee consists of the following three (3) members:

- 1) Georgios Katsibris:- Chairman
- 2) Platon Monokrousos:- Secretary
- 3) Takis Kanellopoulos: Member

### **Investment Committee**

- The Investment Committee has the authority to decide on all matters relating to the implementation of the investment strategy, the implementation of new investments, the disposal of current assets and other activities such as entering into new lease agreements and renegotiating current lease agreements.

- The Investment Committee consists of five (5) members which are appointed by the BoD. It is mandatory that one of the members of the Investment Committee is the Chief Executive Officer of the Company which also acts as Chairman of the Investment Committee.

- The Investment Committee meets whenever the Chairman or its members deem it necessary, following relevant invitation extended by the Chairman.

The present composition of the Investment Committee consists of the following five (5) members:

Georgios Chryssikos:	Chairman
Nikolaos A. Bertzos:	Member
Dimitrios Papadopoulos:	Member
Georgios Papazoglou:	Member
Wade Sebastian Burton:	Member

### **Remuneration – Nomination Committee**

- The BoD has delegated to the Remuneration – Nomination Committee the responsibility a) to consider matters relating to executive and key management personnel remuneration, including remuneration policy, employee benefits and long-term incentive schemes b) to assess the competency, effectiveness and performance of directors, as well as to consider the recommendation on the appointment of key executives to the parent company as well as its affiliates. In specific, the Remuneration - Nomination Committee:
  - proposes to the BoD the remuneration package of the executive, managerial and senior officers and deals with matters that concern the Company’s Remuneration Policy in general.
  - considers the competency and effectiveness of individual directors and the BoD as a whole; assesses whether retiring directors be recommended for re-nomination and identifies and proposes new candidates to fill the vacant posts.
  - The Remuneration - Nomination Committee consists of three (3) members, the majority of which are non-executive. The Chairman of the Committee is appointed by the BoD and should be non-executive. In case there is an executive member in the composition of the Committee, this member cannot attend and vote at the Remuneration - Nomination Committee meeting that considers its remuneration package.
  - The Remuneration - Nomination Committee meets following invitation extended by its Chairman as often as it is necessary, but in case at least once a year.

The present composition of the Remuneration-Nomination Committee consists of the following three members:

Wade Sebastian Burton :	Chairman
Petros Katsoulas:	Member
Georgios Papazoglou:	Member

### **Additional information according to the article 4 par. 7 of the Law 3556/2007 and article 2 of the Decision 7/448/11.10.2007 Capital Market Commission – Explanatory Report**

#### **1. Structure of the Company’s Share Capital**

The Company’s Share Capital as at 31.12.2014 amounted to €215,683,800.00, divided into 101.260,000.00 shares of nominal value of (amount in €) €2.13 each. All the shares are ordinary, nominal, with voting rights, and listed for trading in the Securities Market of the Athens Exchange (“Large Cap” Classification) and have all the rights and obligations as determined by the Law.

#### **2. Limits of transfer of Company shares**

The Company shares may be transferred as provided by the law and the Company’s Articles of Association have no restrictions as regards to the transfer of shares.

### 3. Significant direct or indirect shares in the sense of articles 9 and 11 of Law 3556/2007

The Company's shareholder structure with stakes over 5% as at December 31, 2014, is as follows:

• Fairfax Financial Holdings Limited	41,50%
• Eurobank Ergasias A.E.	20,48%
• Wellington Management Company LLP	11,16%
• Fidelity Management & Research LLC	5,84%

On 18.10.2013, the Company received a notification statement in TR-1 form, according to which on 17.10.2013 the Companies "Fairfax Financial Holdings Limited" and "Eurobank Ergasias SA" executed a shareholders agreement based on which they undertook the responsibility to act jointly and to follow a common policy as per the management of "Eurobank Properties REIC". As a consequence of this agreement, the above companies jointly control directly and indirectly 45.806.477 shares and voting rights or 75,09% of the share capital and voting rights of "Eurobank Properties REIC

### 4. Shares conferring special control rights

No Company shares exist that confer special control rights.

### 5. Limitations on voting rights

The Company's Articles of Association do not provide for any limitations on voting rights.

### 6. Agreements among Company shareholders entailing limitations on the transfer of shares or limitations on voting rights.

There are no agreements among the shareholders, agreements of transfer or repurchase of shares, agreements restricting the right of transfer or charge of shares of the Company, including any agreement relating to voting rights, pre-emption rights, rights to purchase or sell, except for the following-relating to the Company- Agreement, conducted between Eurobank Ergasias SA and Fairfax Financial Holdings Limited on the 17th October 2013: a) the Investment Agreement which defines the terms and conditions of Fairfax Financial Holdings Limited participation in the share capital of the Company and b ) the Shareholders' Agreement, which regulates the relations between the major shareholders of the Company (the "Agreements" ).

#### (A) Investment Agreement:

The basic terms of the Investment Agreement are as follows:

- i. The Share Capital of the Company will increase by €193,248,000 through the issuance of 40,260,000 new ordinary shares with voting rights (each as New Share) of nominal value of €2.13 and issuance value of € 4.80 per New Share .
- ii. Fairfax Financial Holdings Limited will purchase its pre-emption rights corresponding to 33,888,849 existing Shares held by Eurobank Ergasias SA in the price of €0.59 per share option (totally amounting to € 19,994,420.90).
- iii. Fairfax Financial Holdings Limited will fully exercise its pre-emption rights acquired by Eurobank Ergasias SA, and pre-emption rights corresponding to the Shares held by Fairfax Financial Holdings Limited on October 17, 2013. Thus, in total the Fairfax Financial Holdings Limited committed to exercise pre-emption rights for a minimum of 30,077,162 New Shares .

Following the completion of the Share Capital Increase (and assuming that the pre-emption rights will be exercised in full) , Fairfax Financial Holdings Limited and Eurobank Ergasias SA will hold a total of at least 41.21 % and 33.47 % respectively, of the Share Capital of the Company. The Investment Agreement and the above under i) Share Capital Increase were successfully executed in 2014.

**(B) Shareholders Agreement:**

Fairfax Financial Holdings Limited and Eurobank Ergasias SA have concluded a Shareholders Agreement which regulates their relationship as major shareholders of the Company. They have acquired specific rights of the Shareholders Agreement, which depend on the relative time period. From the signature date of the Shareholders Agreement until the earlier (i) the date on which the participation of Eurobank in the share capital of the Company falls below 20 % and (ii) on 06.30.2020 (Initial Period), the parties shall apply common policy regarding the management of the Company. Following the expiry of the Initial Period, Fairfax Financial Holdings Limited will automatically and ipso jure acquire the control of the Company and the parties will collaborate on the composition of the Board of Directors, the Investment Committee, the rest of the committees of the Company as well as the recall / appointment of the Chief Executive Officer. If the percentage of Eurobank falls below 20 % but remains above 5 % , then veto rights on certain strategic issues arise.

Eurobank Ergasias SA will cease to have any veto rights after 18 months from the expiry of the Initial Period , regardless of its percentage in the share capital of the Company .

**7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association**

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

**8. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the treasury shares**

The Board of Directors is authorized to acquire treasury shares, according to the resolution of the Ordinary General Meeting of the Shareholders held on 14.4.2014 which has prescribed treasury shares acquisitions, in accordance with article 16 of Law 2190/1920 for a period of two (2) years. Pursuant to the above decision of the Ordinary General Meeting of the Shareholders, the Board of Directors is also authorised to regulate all issue regarding implementation of this shares buy back plan..

**9. Significant agreements entered in force, amended or terminated in the event of a change in the control of the Company, following a public tender offer.**

The Company has no agreements which are entered in force, amended or terminated in the event of a change in the control of the Company following a public tender offer.

**10. Significant agreements with members of the Board of Directors or employees of the Company.**

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their term of office or employment as a result of a public tender offer.

Maroussi, January 28, 2015

The undersigned

Nikolaos A. Bertzos

Georgios Chryssikos

Georgios Katsibris

Chairman of the BoD

Chief Executive Officer

Independent non-executive

Non-executive member of the BoD

Executive member of the BoD

member of the BoD

[Translation from the original text in Greek]

## **Independent Auditor's Report**

To the Shareholders of Grivalia Properties REIC

### **Report on the Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of Grivalia Properties REIC which comprise the separate and consolidated balance sheet as of 31 December 2014 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Grivalia Properties REIC and its subsidiaries as at December 31, 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

### **Reference on Other Legal and Regulatory Matters**

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, January 30, 2015

PricewaterhouseCoopers

268 Kifissias Ave.

15232 Athens, Greece.

AM SOEL 113

Dimitris Sourbis

AM SOEL 16891

Annual Consolidated and Company Financial Statements  
for the year ended December 31, 2014

## Consolidated and Company Balance Sheet

	Note	Group		Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	7	729.301	564.194	577.707	413.739
Property, plant and equipment	9	2.415	1.600	2.357	1.596
Intangible Assets and Goodwil		372	390	37	55
Investment in subsidiaries	10	-	-	100.742	105.092
Deferred tax asset		348	391	-	-
Other long term receivables	11	3.380	2.959	15.660	15.281
		<b>735.816</b>	<b>569.534</b>	<b>696.503</b>	<b>535.763</b>
<b>Current assets</b>					
Trade and other receivables	12	8.636	5.125	7.354	3.913
Cash and cash equivalents	13	185.448	190.695	173.701	176.945
		<b>194.084</b>	<b>195.820</b>	<b>181.055</b>	<b>180.858</b>
<b>TOTAL ASSETS</b>		<b>929.900</b>	<b>765.354</b>	<b>877.558</b>	<b>716.621</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share Capital	14	215.684	129.930	215.684	129.930
Share premium	14	571.234	466.749	571.234	466.749
Own shares	14	(5.199)	(6.735)	(5.199)	(6.735)
Share based payment reserve	14	865	-	865	-
Other reserves	14	12.641	10.779	11.903	10.021
Retained earnings	14	58.822	28.924	38.888	21.453
<b>Total shareholders' equity</b>		<b>854.047</b>	<b>629.647</b>	<b>833.375</b>	<b>621.418</b>
<b>Non-current liabilities</b>					
Borrowings, including finance leases	15	56.644	62.104	27.840	31.451
Tenant deposits		2.796	2.962	2.796	2.962
Other non-current liabilities		290	319	290	319
		<b>59.730</b>	<b>65.385</b>	<b>30.926</b>	<b>34.732</b>
<b>Current liabilities</b>					
Trade and other payables	16	6.349	4.394	5.701	2.567
Short term liabilities due to subsidiaries		-	-	-	50.000
Dividends payable		13	7	13	7
Current income tax liabilities		2.004	2.425	1.731	2.342
Borrowings, including finance leases	15	7.278	63.132	5.333	5.191
Tenant deposits		479	364	479	364
		<b>16.123</b>	<b>70.322</b>	<b>13.257</b>	<b>60.471</b>
<b>Total liabilities</b>		<b>75.853</b>	<b>135.707</b>	<b>44.183</b>	<b>95.203</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>929.900</b>	<b>765.354</b>	<b>877.558</b>	<b>716.621</b>

## Consolidated and Company Income Statement

	Note	Group		Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Revenue</b>					
Rental income	17	50.636	36.775	38.425	30.063
Gain from investment property disposals		-	150	-	150
		<b>50.636</b>	<b>36.925</b>	<b>38.425</b>	<b>30.213</b>
Net gain/(loss) from fair value adjustments on investment property	7	4.872	(43.151)	3.733	(40.503)
Technical service fees		(233)	(502)	(93)	(216)
Other direct property relating expenses	18	(1.327)	(1.414)	(1.063)	(1.160)
Provisions for bad debts		-	(736)	-	(740)
Employee benefit expense- BoD	19	(3.525)	(1.610)	(3.481)	(1.578)
Depreciation of assets		(170)	(90)	(168)	(89)
Other income	20	87	100	2.752	100
Impairment of subsidiary	21	-	-	(4.350)	-
Other expenses	22	(1.498)	(1.217)	(1.231)	(1.077)
<b>Operating profit/ (loss)</b>		<b>48.842</b>	<b>(11.695)</b>	<b>34.524</b>	<b>(15.050)</b>
Interest income		6.176	7.286	6.704	7.745
Finance costs		(2.084)	(2.180)	(1.015)	(1.087)
Negative goodwill arising from subsidiary's acquisition	8	1.253	12.050	-	-
<b>Profit/ (loss) before tax</b>		<b>54.187</b>	<b>5.461</b>	<b>40.213</b>	<b>(8.392)</b>
Taxes	23	(4.192)	(2.725)	(2.680)	(1.922)
<b>Profit/ (loss) for the year</b>		<b>49.995</b>	<b>2.736</b>	<b>37.533</b>	<b>(10.314)</b>
<b>Earnings/ (losses) per share (expressed in € per share)</b>					
- Basic and Diluted	25	<b>0,52</b>	<b>0,05</b>		

## Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Profit/ (loss) for the year</b>	<b>49.995</b>	<b>2.736</b>	<b>37.533</b>	<b>(10.314)</b>
<b>Other comprehensive income/ (loss) after taxes:</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Exchange rate differences transferred to income/ (loss) after taxes	(19)	(47)	-	-
Total comprehensive income/ (loss)	(19)	(47)	-	-
<b>Total comprehensive income/ (loss) after taxes for the year</b>	<b>49.976</b>	<b>2.689</b>	<b>37.533</b>	<b>(10.314)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>				
- Shareholders (Owners of the parent)	49.976	2.689	37.533	(10.314)
- Minority interest	-	-	-	-
<b>Total comprehensive income/ (loss) after taxes for the year</b>	<b>49.976</b>	<b>2.689</b>	<b>37.533</b>	<b>(10.314)</b>

The Consolidated and Company Financial Statements for the year ended December 31, 2014 were approved by the Board of Directors on January 28, 2015 and are signed on its behalf by:

Nikolaos A. Bertzos

Georgios Chryssikos

Panagiotis Aristeidis Varfis

Evangelos Tentis

Chairman of the BoD

Chief Executive Officer

Chief Financial Officer

Chief Accountant

Non-executive member of the BoD

Executive member of the BoD

## Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
<b>Balance January 01, 2013</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	-	<b>10.823</b>	<b>26.191</b>	<b>626.974</b>
Profit/ (loss) for the year		-	-	-	-	-	2.736	2.736
Foreign exchange differences		-	-	-	-	(48)	1	(47)
<b>Total comprehensive income/ (loss) for the year</b>		-	-	-	-	<b>(48)</b>	<b>2.737</b>	<b>2.689</b>
Acquisition of own shares	14	-	-	(16)	-	-	-	(16)
Transfer to reserves	14	-	-	-	-	4	(4)	-
<b>Balance December 31, 2013</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.779</b>	<b>28.924</b>	<b>629.647</b>
<b>Balance January 01, 2014</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.779</b>	<b>28.924</b>	<b>629.647</b>
Profit/ (loss) for the year		-	-	-	-	-	49.995	49.995
Foreign exchange differences		-	-	-	-	(20)	1	(19)
<b>Total comprehensive income/ (loss) for the year</b>		-	-	-	-	<b>(20)</b>	<b>49.996</b>	<b>49.976</b>
Share capital increase	14	85.754	107.494	-	-	-	-	193.248
Share capital issue costs	14	-	(3.009)	-	-	-	11	(2.998)
Sale of pre-emption rights of own shares	14	-	-	1.841	-	-	-	1.841
Acquisition of own shares	14	-	-	(305)	-	-	-	(305)
Formation of statutory reserve	14	-	-	-	-	1.882	(1.882)	-
Equity settled share based payments	14	-	-	-	865	-	-	865
Dividend relating to previous years	24	-	-	-	-	-	(18.227)	(18.227)
<b>Balance December 31, 2014</b>		<b>215.684</b>	<b>571.234</b>	<b>(5.199)</b>	<b>865</b>	<b>12.641</b>	<b>58.822</b>	<b>854.047</b>

## Company Statement of Changes in Shareholders' Equity

Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
<b>Balance January 01, 2013</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	-	<b>10.021</b>	<b>31.767</b>	<b>631.748</b>
Profit/ (loss) for the year	-	-	-	-	-	(10.314)	(10.314)
Other comprehensive income/ (loss) after tax	-	-	-	-	-	-	-
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	-	<b>(10.314)</b>	<b>(10.314)</b>
Acquisition of own shares	14	-	(16)	-	-	-	(16)
<b>Balance December 31, 2013</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.021</b>	<b>21.453</b>	<b>621.418</b>
<b>Balance January 01, 2014</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.021</b>	<b>21.453</b>	<b>621.418</b>
Profit/ (loss) for the year	-	-	-	-	-	37.533	37.533
Other comprehensive income/ (loss) after tax	-	-	-	-	-	-	-
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	-	<b>37.533</b>	<b>37.533</b>
Share capital increase	14	85.754	107.494	-	-	-	193.248
Share capital issue costs	14	-	(3.009)	-	-	11	(2.998)
Sale of pre-emption rights of own shares	14	-	-	1.841	-	-	1.841
Acquisition of own shares	14	-	-	(305)	-	-	(305)
Formation of statutory reserve	14	-	-	-	1.882	(1.882)	-
Equity settled share based payments	14	-	-	-	865	-	865
Dividend relating to previous years	24	-	-	-	-	(18.227)	(18.227)
<b>Balance December 31, 2014</b>	<b>215.684</b>	<b>571.234</b>	<b>(5.199)</b>	<b>865</b>	<b>11.903</b>	<b>38.888</b>	<b>833.375</b>

## Consolidated and Company Cash Flow Statement

	Note	Group		Company	
		01/01 - 31/12/2014	01/01 - 31/12/2013	01/01 - 31/12/2014	01/01 - 31/12/2013
<b>Cash flows from operating activities</b>					
<b>Profit/ (loss) for the year</b>		<b>49.995</b>	<b>2.736</b>	<b>37.533</b>	<b>(10.314)</b>
Other (gains)/ losses		(58)	(100)	(2.724)	(100)
Gain from investment property disposals		-	(150)	-	(150)
Negative goodwill arising from subsidiary's acquisition	8	(1.253)	(12.050)	-	-
Provisions		1.605	-	6.136	-
Interest income		(6.176)	(7.286)	(6.704)	(7.745)
Finance costs		2.084	2.180	1.015	1.087
Taxes	23	4.192	2.725	2.680	1.922
(Increase)/decrease of fair value of investment property	7	(4.872)	43.151	(3.733)	40.503
Depreciation of assets		170	90	168	89
<b>Changes in working capital:</b>					
Decrease/ (increase) in receivables		(4.045)	(217)	(4.284)	(1.486)
Increase / (decrease) in payables		198	(1.273)	50	746
Cash generated from operating activities		41.840	29.806	30.137	24.552
Interest paid		(2.083)	(2.208)	(1.002)	(1.083)
Taxes paid		(2.477)	(2.306)	(947)	(1.508)
<b>Net cash generated from operating activities</b>		<b>37.280</b>	<b>25.292</b>	<b>28.188</b>	<b>21.961</b>
<b>Cash flows from investing activities</b>					
Subsidiary's acquisition after the deduction of cash and cash equivalents	8	-	5.983	-	-
Subsidiary's share capital increase	8	-	-	(50.000)	-
Dividend received from a subsidiary	20	-	-	2.666	-
Subsequent capital expenditure on investment property		(435)	(86)	(124)	(86)
Purchases of investment property	7	(160.707)	-	(160.707)	-
Purchases of property, plant and equipment		(214)	(7)	(214)	(2)
Disposals of investment property		-	3.300	-	3.300
Loans due from subsidiaries	11	-	-	(200)	(8.070)
Repayments of loans due from subsidiaries		-	-	-	900
Repayments of loans due from local subsidiaries	8	(55.983)	-	-	-
Interest received		6.494	8.913	6.998	9.285
<b>Net cash used in investing activities</b>		<b>(210.845)</b>	<b>18.103</b>	<b>(201.581)</b>	<b>5.327</b>
<b>Cash flows from financing activities</b>					
Proceeds from share capital increase (incl. share capital issue co)	14	190.239	-	190.239	-
Proceeds from sale of pre-emption rights of own shares	14	1.841	-	1.841	-
Acquisition of own shares	14	(244)	(16)	(244)	(16)
Repayments of loans		(2.700)	(11.325)	(850)	(835)
Repayments of finance leases		(2.610)	(2.497)	(2.610)	(2.497)
Dividends paid	24	(18.227)	-	(18.227)	-
<b>Net cash used in financing activities</b>		<b>168.299</b>	<b>(13.838)</b>	<b>170.149</b>	<b>(3.348)</b>
<b>Net increase/ (decrease) in cash and cash equivalents for the year</b>					
		<b>(5.266)</b>	<b>29.557</b>	<b>(3.244)</b>	<b>23.940</b>
Cash and cash equivalents at the beginning of the year	13	190.695	161.091	176.945	153.005
Exchange gains / (losses) on cash and cash equivalents		19	47	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>185.448</b>	<b>190.695</b>	<b>173.701</b>	<b>176.945</b>

The notes on pages 26 to 61 form an integral part of these Consolidated and Company Financial Statements for the year ended December 31, 2014.

## Notes to Consolidated and Company Financial Statements

### 1 General information

The present financial statements include the financial statements of the Company Grivalia Properties Real Estate Investment Company (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the year ended December 31, 2014.

The Company was renamed to Grivalia Properties REIC following the decision K2-4690/30.9.2014 of the Vice-Minister of Development and Competitiveness. This decision approved the amendment of article 1 of its Articles of Association regarding trade name, as previously approved by the Extraordinary Shareholders Meeting held on August 28, 2014.

The Company and the Group is an investment property group with a majority of its portfolio located in Greece and in Central Eastern Europe. Its business is leasing out investment property under operating leases and is classified as a real estate investment company under Greek Law 2778/1999 with effect from September 29, 2005

The Company is incorporated and domiciled in Maroussi, Greece. The address of its registered office is 117 Kifisias Avenue & Ag. Konstantinou, Maroussi, Greece (General Comm.Registry 000239101000) and is listed in the Athens Stock Exchange.

These Consolidated and Company Financial Statements (hereafter the “Financial Statements”) have been approved for issue by the Board of Directors on January 28, 2015.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

##### Statement of compliance

These consolidated and company financial statements have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and International Financial Reporting Standards issued by the IASB.

##### Preparation of financial statements

The Financial Statements have been prepared under the historical cost convention and adjusted for the fair value of investment properties. The preparation of financial statements in accordance with I.F.R.S. requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies (see note 5).

##### Comparatives

Certain comparatives figures have been reclassified for presentation purposes, in order to become comparable with those figures in the current year.

**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 financial year and subsequent years. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is not significant.

##### Standards and Interpretations effective for the current financial year

##### **New and amended standards adopted by the Group**

The following new standards and amendments to existing standards, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply from 1 January 2014:

##### **IAS 27, Amendment - Separate Financial Statements**

## Notes to Consolidated and Company Financial Statements

The amendment is issued concurrently with IFRS 10 'Consolidated Financial Statements' and together they supersede IAS 27 'Consolidated and Separate Financial Statements'. The amendment prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

### IAS 28, Amendment - Investments in Associates and Joint Ventures

The amendment replaces IAS 28 'Investments in Associates'. The objective of the amendment is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures following the publication of IFRS 11. An exemption from applying the equity method is provided, when the investment in associate or joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds. In this case, investments in those associates and joint ventures may be measured at fair value through profit or loss.

### IAS 32, Amendment - Offsetting Financial Assets and Financial Liabilities

The amendment clarifies the requirements for offsetting financial assets and financial liabilities.

### IAS 36, Amendment - Recoverable Amount Disclosures for Non-Financial Assets

The amendment restricts the requirement to disclose the recoverable amount of an asset or cash generating unit only to periods in which an impairment loss has been recognized or reversed. It also includes detailed disclosure requirements applicable when an asset or cash generating unit's recoverable amount has been determined on the basis of fair value less costs of disposal and an impairment loss has been recognized or reversed during the period.

### IAS 39, Amendment - Novation of derivatives and continuation of hedge accounting

The amendment provides relief from discontinuing hedge accounting when, as a result of laws and regulations, a derivative designated as a hedging instrument is novated to effect clearing with a central counterparty and specific criteria are met.

### IFRS 10, Consolidated Financial Statements

IFRS 10 replaces the part of IAS 27 'Consolidated and Separate Financial Statements' that deals with consolidated financial statements and SIC 12 'Consolidation-Special Purpose Entities'. Under IFRS 10, there is a new definition of control, providing a single basis for consolidation for all entities. This basis is built on the concept of power over the investee, variability of returns from the involvement with the investee and their linkage, replacing thus focus on legal control or exposure to risks and rewards, depending on the nature of the entity.

### IFRS 11, Joint Arrangements

IFRS 11 replaces IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities- Non – monetary Contributions by Ventures' and establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.

Under IFRS 11, there are only two types of joint arrangements, joint operations and joint ventures and their classification is based on the parties' rights and obligations arising from the arrangement, rather than its legal form.

The equity method of accounting is now mandatory for joint ventures. The option to use the proportionate consolidation method to account for joint ventures, which was not applied by the Group, is no longer allowed. In joint operations, each party that has joint control of the arrangement recognizes in its financial statements, in relation to its involvement in the joint operation, its assets, liabilities and transactions, including its share in those arising jointly.

## Notes to Consolidated and Company Financial Statements

### IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 specifies the disclosures required in annual financial statements to enable users of financial statements to evaluate the nature of and risks associated with the reporting entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

### IFRS 10, 11 and 12 Amendments - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

The amendments clarify the transition guidance in IFRS 10 and provide additional transition relief in IFRS 10, 11 and 12, requiring adjusted comparative information to be limited only to the preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, the requirement to present comparative information for periods before IFRS 12 is first applied, is removed.

### IFRS 10, 12 and IAS 27 Amendments - Investment Entities

The amendments require that 'investment entities', as defined below, account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss. The only exception would be subsidiaries that are considered an extension of the investment entity's investing activities. Under the amendments an 'Investment entity' is an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The amendments also set out disclosure requirements for investment entities.

### New standards and interpretations not yet adopted by the Group

A number of new standards, amendments and interpretations to existing standards are effective after 2014, as they have not yet been endorsed for use in the European Union or have not been early applied by the Group. Those that may be relevant to the Group are set out below:

#### IAS 1, Amendment - Disclosure initiative (effective 1 January 2016, not yet endorsed by EU)

The amendment clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

#### IAS 16 and IAS 38, Amendments -Clarification of Acceptable Methods of Depreciation and Amortization (effective 1 January 2016, not yet endorsed by EU)

The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

#### IAS 19, Amendment- Defined Benefit Plans: Employee Contributions (effective 1 January 2016)

The amendment clarifies the accounting for post- employment benefit plans where employees or third parties are required to make contributions which do not vary with the length of employee service, for example, employee contributions calculated according to a fixed percentage of salary. The amendment allows these contributions to be deducted from pension expense in the year in which the related employee service is delivered, instead of attributing them to periods of employee service.

## Notes to Consolidated and Company Financial Statements

### **IAS 27, Amendment –Equity Method in Separate Financial Statements (effective 1 January 2016, not yet endorsed by EU)**

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

### **IFRS 9, Financial Instruments (effective 1 January 2018, not yet endorsed by EU)**

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

### **IFRS 10, IFRS 12 and IAS 28, Amendments - Investment Entities: Applying the Consolidation Exception (effective 1 January 2016, not yet endorsed by EU)**

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

### **IFRS 10 and IAS 28, Amendments- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016, not yet endorsed by EU)**

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

### **IFRS 11, Amendment – Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016, not yet endorsed by EU)**

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’.

### **IFRS 15, Revenue from Contracts with Customers (effective 1 January 2017, not yet not yet endorsed by EU)**

The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

### **Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 January 2016)**

The amendments introduce key changes to seven IFRSs following the publication of the results of the IASB’s 2010-12 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

- Definition of vesting condition in IFRS 2 “Share – based Payment”;
- Accounting for contingent consideration in a business combination in IFRS 3 “Business Combinations”;
- Aggregation of operating segments and reconciliation of the total of the reportable segments’ assets to the entity’s assets in IFRS 8 “Operating Segment”;
- Short-term receivables and payables in IFRS 13 “Fair Value Measurement”;
- Revaluation method—proportionate restatement of accumulated depreciation in IAS 16 “Property, Plant and Equipment”;
- Key management personnel in IAS 24 “Related Party Disclosures”; and
- Revaluation method—proportionate restatement of accumulated amortization in IAS 38 “Intangible Assets”

## Notes to Consolidated and Company Financial Statements

### Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 January 2015)

The amendments introduce key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

- Scope exceptions for joint ventures in IFRS 3 "Business Combinations";
- Scope of portfolio exception in IFRS 13 "Fair Value Measurement";
- Clarifying the interrelationship between IFRS 3 "Business Combinations" and IAS 40 "Investment Property" when classifying property as investment property or owner-occupied property in IAS 40; and
- Meaning of "effective IFRSs" in IFRS 1 First-time Adoption of International Financial Reporting Standards

### Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016, not yet endorsed by EU)

The amendments introduce key changes to four IFRSs following the publication of the results of the IASB's 2012-14 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

- Clarifying in IFRS 5 "Non-current assets held for sale and discontinued operations" that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.
- Adding in IFRS 7 "Financial instruments: Disclosures" specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. It also clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods, unless required by IAS 34.
- Clarifying in IAS 19 "Employee benefits" that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.
- Clarifying in IAS 34 "Interim financial reporting" what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

## 3 Accounting policies

### 3.1 Investment in Subsidiaries

Investments in subsidiaries in Company's financial statements is stated at cost less impairment.

### 3.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to control the financial and operating policies and in general has above 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. 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 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 as negative goodwill.

## Notes to Consolidated and Company Financial Statements

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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 adjusted where necessary to ensure consistency with the policies adopted by the Group.

### 3.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer of the Company.

### 3.4 Foreign currency translation

#### (a) Functional and presentational currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

#### (c) 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 date, in which income and expenses are translated at the rate of the dates of the transactions).
- 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.

### 3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property.

## Notes to Consolidated and Company Financial Statements

Investment property comprises freehold land, freehold buildings and property held under finance leases, as well as properties under construction which are being developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are appraised as at June 30 and December 31 each year by independent professional valuers in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property under construction is measured at fair value only if it can be measured reliably.

Investment property further qualified for continued use as investment property, or for which the market has become less active, continues to be valued at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer, is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in Other comprehensive income by increasing the asset revaluation reserve in equity.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to non current assets as available for sale if they meet the criteria of IFRS 5. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

### 3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss under finance cost in the period in which they are incurred.

## Notes to Consolidated and Company Financial Statements

### 3.7 Property, Plant and equipment

All property, plant and equipment is stated in the balance sheet at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on the component approach, is calculated so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

Land	Nil
Buildings	50 years
Fixtures and equipment	4 – 7 years

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at least each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the income statement.

### 3.8 Leases

a) Where the Group is the lessee:

(i) Operating lease – leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. There were no material operating leases for the periods covered by the financial statements.

(ii) Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease liability outstanding. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance charges are charged to the income statement. The investment properties acquired under finance leases are carried at their fair value.

b) Where the Group is the lessor

Operating lease – properties leased out under operating leases are included in investment property in the balance sheet (Note 7). See note 3.18 for the recognition of rental income.

The Group does not currently lease out properties under finance leases.

### 3.9 Impairment of non financial assets

Assets that are not subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

## Notes to Consolidated and Company Financial Statements

### 3.10 Intangible assets

Intangible assets consist mainly of goodwill and software. Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Goodwill and other indefinite-lived intangible assets are not amortised but rather tested for impairment annually and whenever there is an indication of impairment. Goodwill and other indefinite-lived intangible assets are carried at cost less accumulated impairment losses.

The software is valued at cost less accumulated depreciation. Depreciation is calculated on a straight line over the useful life of these items which has been estimated at 4 years.

### 3.11 Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

### 3.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash deposits and highly liquid time deposits held with banks with original maturities of approximately three months or less.

### 3.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax), from the proceeds.

### 3.14 Treasury shares

Treasury shares consist of company's own equity shares, which are reacquired and not cancelled. Treasury shares do not reduce the number of shares issued but reduce the number of shares in circulation. Treasury shares are recognized at cost as a deduction from equity. Upon derecognition, the cost of the treasury share reduces the Share Capital and Share Premium and any difference is charged to Retained Earnings.

### 3.15 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured using the effective interest rate method.

### 3.16 Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 3.17 Current and deferred tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income

## Notes to Consolidated and Company Financial Statements

tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

With effect from September 29, 2005, when the Company obtained regulatory approval to operate as a real estate investment vehicle under Greek Law 2778/1999, the tax basis on which it will be subject to tax changed from an income tax basis to an asset based tax basis (see Note 23). Accordingly, with effect from the above date, no further temporary differences will arise requiring the recognition of deferred income tax assets or liabilities since the Company will no longer be subject to income taxes as a result of its change in tax status.

For the Group, temporary differences arise only in foreign subsidiaries and are subject to deferred tax.

### 3.18 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Where the Group, as a lessee, is contractually required to restore a leased in property to an agreed condition, prior to release by a lessor, provision is made for such costs as they are identified.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

### 3.19 Revenue recognition

Revenue includes rental income and income from property trading.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

Contingent rents, such as turnover rents, are recorded as income in the periods in which they are disclosed to the Company and the Group.

### 3.20 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### 3.21 Earnings per share

Basic earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during the year adjusted for the impact of share based payments.

## Notes to Consolidated and Company Financial Statements

### 3.22 Share-Based Payment Transactions

The Group provides to key management personnel remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity settled transactions”). The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined at the grant date, using an appropriate pricing model, and is allocated over the period in which the conditions are fulfilled. The cost of equity settled transactions is recognized, together with a corresponding increase to equity over the vesting period.

### 3.23 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and Company’s financial statements in the period in which the dividends are approved by the Annual General Shareholders Meeting.

### 3.24 Interest expense

Interest expenses for borrowings are recognised within ‘finance costs’ in the income statement using the effective interest rate method. Exempt are borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

### 3.25 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 4 Financial risk management

### 4.1 Financial risk management

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policy with respect to these financial instruments is described in note 3.

Risk management primarily focuses on the identification and evaluation of financial risk, which includes the following specific areas: such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investing excess liquidity.

#### a) Market risk

##### i) Foreign exchange risk

The Group operates internationally but is not significantly exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from transactions in foreign currency. However, recognised assets and liabilities are initially recognised in Euro, which is the Group’s functional currency. The Group’s exposure to foreign currency risk at December 31, 2014 and 2013 was not significant. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

## Notes to Consolidated and Company Financial Statements

Group's policy, in accordance with the legislation governing Greek REICs, is not to enter into any currency hedging transactions.

### ii) Price risk

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including market rentals risk. In order to reduce price risk, the Group in general enters into long term operating lease agreements with most tenants for a minimum of 12 years. The annual rental increases are linked to the Greek CPI and the HICP and in the case of deflation there is no negative impact to the Company's income. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

### iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising deposits held at call and short term deposits with banks.

Group's interest rate risk arises from long-term finance leases and bank borrowings (note 15). Finance leases and bank borrowings which are all issued at variable rates expose the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Finance charges may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise. In order to reduce Group's interest rate exposure under long term finance leases, contractual re-pricing dates are restricted to a maximum period of 6 months. If interest rates fluctuate +/- 1% the effect on Group's Income Statement would be approximately +/- €1,215 (31.12.2013: +/- €656).

### b) Credit risk

The Group has significant concentrations of credit risk with respect to cash balances, deposits held with banks and rental income received from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place to ensure that rental contracts are entered into with customers with an appropriate credit history and cash transactions are restricted to financial institutions. It should be noted that, in order to minimize the credit risk, Group's cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks.

Group's concentration of credit risk arises from transactions with related parties (see note 28).

### c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, availability of funding through an adequate amount of committed credit facilities and ability to close out market positions. Due to the dynamic nature of the underlying business, the Group management aims to maintain flexibility in funding by keeping adequate cash and committed credit lines available for overdrafts and time deposits.

## Notes to Consolidated and Company Financial Statements

Group's liquidity position is monitored on a regular basis by the management. A summary table is presented below with maturity of financial assets and liabilities (the tables include undiscounted flows for interest and principal):

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Financial Assets</b>				
<b>Current assets</b>				
Trade and other receivables	8.636	5.125	7.354	3.913
Cash and cash equivalents	185.448	190.695	173.701	176.945
	<b>194.084</b>	<b>195.820</b>	<b>181.055</b>	<b>180.858</b>
<b>Financial Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings, including finance leases				
Between 1 and 2 years	8.213	7.453	5.375	4.487
Between 2 and 5 years	37.967	29.101	8.629	11.242
Over 5 years	18.069	35.944	18.069	21.112
	<b>64.249</b>	<b>72.498</b>	<b>32.073</b>	<b>36.841</b>
<b>Current liabilities</b>				
Trade and other payables (including dividends payable)	6.362	4.401	5.714	2.574
Borrowings, including finance leases	9.000	65.093	6.162	6.145
	<b>15.362</b>	<b>69.494</b>	<b>11.876</b>	<b>8.719</b>
	<b>79.611</b>	<b>141.992</b>	<b>43.949</b>	<b>45.560</b>

### 4.2 Fair value estimation

The Group uses the following hierarchy for the determination and the disclosures of the fair value of the financial assets and liabilities per valuation techniques :

**Level 1:** quoted prices in an active market for identical assets and liabilities

**Level 2:** other valuation techniques, derived principally from or corroborated by observable market data by correlation or other means

**Level 3:** valuation techniques by using inputs having significant influence in fair value measurement and are unobservable

The following table analyses within the fair value hierarchy Group's assets and liabilities not measured at fair value at December 31, 2014, but for which fair value is disclosed:

<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Borrowings, including finance leases	-	-	63.922	63.922
<b>Total</b>	-	-	<b>63.922</b>	<b>63.922</b>

The liabilities included in the above table are carried at amortized cost and their carrying values are a reasonable approximation of fair value.

As at December 31, 2014 the book value of "trade and other receivables", "cash and cash equivalents" and "trade and other payables" approximates the fair value.

## Notes to Consolidated and Company Financial Statements

There were no transfers between Level 1 and 2 during the year, neither transfers in and out of Level 3 concerning the estimation of fair value.

### 4.3 Capital risk management

Group's objectives when managing capital are to safeguard the Group's ability to continue its operation in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt ratio). This ratio is calculated as total borrowings (including finance leases) divided by total assets, as shown in the consolidated balance sheet. The regulatory regime governing Greek REICs permit Greek REICs and their subsidiaries to borrow up to 75% of the consolidated total assets, for acquisitions and improvements on properties. Company's goal is to optimise its capital structure through effective use of debt financing.

The gearing ratio (total debt ratio) as at December 31, 2014 and December 31, 2013 were as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Total borrowings (including finance leases)</b>	63.922	125.236	33.173	36.642
<b>Total assets</b>	929.900	765.354	877.558	716.621
<b>Gearing ratio</b>	<b>7%</b>	<b>16%</b>	<b>4%</b>	<b>5%</b>

## 5 Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Group's management makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### a) Estimation of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group, based on the advice of its independent external valuers, determines the amount within a range of reasonable fair value estimates. In making judgment, the Group considers information from a variety of sources including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences,

(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of those cash flows.

### b) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach for investment properties is not available, the fair values of investment properties are determined using discounted cash

## Notes to Consolidated and Company Financial Statements

flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; vacant periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The future rentals are estimated based on current market rents for similar properties in the same location and of same quality.

### c) Impact of economic conditions to Group

The year 2014, was characterized increased investment activity in Greece and the economy showed marginal positive growth rates in the third and fourth quarter of the year. The proclamation of the elections at the end of 2014 triggered an instability in the markets which is expected to ease by the election of the government and its commitment to the country's European course. In this economic environment, the commercial real estate sector in which the Group is operating showed a stabilizing trend. This is reflected in the Group's financial results for the year 2014. Additionally, the Group successfully managed credit risk, maintained high occupancy rates (over 96%) and returned to increased profitability.

There are no other areas where significant judgments are exercised.

## Notes to Consolidated and Company Financial Statements

### 6 Segment analysis

#### A) Operating segments

For the year ended December 31, 2014:

	Offices	Logistics	Retail	Mixed use	Special use	Total
<b>REVENUE</b>						
Rental revenue	20.586	4.046	12.565	10.391	3.008	50.596
Income/ (expense) from service charges	16	-	22	2	-	40
<b>Total</b>	<b>20.602</b>	<b>4.046</b>	<b>12.587</b>	<b>10.393</b>	<b>3.008</b>	<b>50.636</b>
<b>RESULTS</b>						
Net gain/ (loss) from fair value adjustments on investment property	138	3.930	937	(684)	551	4.872
Other direct property relating expenses	(608)	(112)	(218)	(306)	(83)	(1.327)
Technical service fees	(132)	(10)	(38)	(46)	(7)	(233)
Finance costs	(1.947)	(33)	(2)	(102)	-	(2.084)
<b>Profit/ (loss) relating to investment property</b>	<b>18.053</b>	<b>7.821</b>	<b>13.266</b>	<b>9.255</b>	<b>3.469</b>	<b>51.864</b>
<b>Reconciliation of net profit/ (loss) for the year:</b>						
Profit/ (loss) relating to investment property						51.864
Interest income						6.176
Other expenses						(5.193)
Other income						87
Negative goodwill arising from subsidiary's acquisition						1.253
Taxes						(4.192)
<b>Net profit/ (loss) for the year</b>						<b>49.995</b>

## Notes to Consolidated and Company Financial Statements

For the year ended December 31, 2013:

	<b>Offices</b>	<b>Logistics</b>	<b>Retail</b>	<b>Mixed use</b>	<b>Total</b>
<b>REVENUE</b>					
Rental revenue	14.884	2.767	7.519	11.521	36.691
Income/ (expense) from service charges	67	-	22	(5)	84
Gain from investment property disposals	-	-	150	-	150
<b>Total</b>	<b>14.951</b>	<b>2.767</b>	<b>7.691</b>	<b>11.516</b>	<b>36.925</b>
<b>RESULTS</b>					
Net gain/ (loss) from fair value adjustments on investment property	(13.242)	(1.520)	(8.544)	(19.845)	(43.151)
Other direct property relating expenses	(571)	(107)	(270)	(466)	(1.414)
Technical service fees	(274)	(20)	(91)	(117)	(502)
Provisions for bad debts	4	-	-	(740)	(736)
Finance costs	(1.999)	(33)	(40)	(108)	(2.180)
<b>Profit/ (loss) relating to investment property</b>	<b>(1.131)</b>	<b>1.087</b>	<b>(1.254)</b>	<b>(9.760)</b>	<b>(11.058)</b>
<b>Reconciliation of net profit/ (loss) for the year:</b>					
Profit/ (loss) relating to investment property					(11.058)
Interest income					7.286
Other expenses					(2.917)
Other income					100
Negative goodwill arising from subsidiary's acquisition					12.050
Taxes					(2.725)
<b>Net profit/ (loss) for the year</b>					<b>2.736</b>

### B) Geographical segments

For the year ended December 31, 2014:

	<b>Revenue</b>	<b>Non-current assets</b>
Greece	43.991	647.572
Romania	5.766	74.375
Serbia	879	13.521
	<b>50.636</b>	<b>735.468</b>

## Notes to Consolidated and Company Financial Statements

For the year ended December 31, 2013:

	Revenue	Non-current assets
Greece	30.213	481.467
Romania	5.760	74.401
Serbia	952	13.275
	<b>36.925</b>	<b>569.143</b>

### 7 Investment Property

	Group	
	31/12/2014	31/12/2013
<b>Balance at the beginning of the year</b>	<b>564.194</b>	<b>547.100</b>
<b>Additions:</b>		
Acquisition of investment property	160.707	-
Subsequent capital expenditure on investment property	215	83
Acquisition of subsidiary	-	63.181
Disposals	-	(3.019)
Transfer from investment property to property, plant and equipment (own use)	(687)	-
Net gain/(loss) from fair value adjustments on investment property	4.872	(43.151)
<b>Balance at the end of the year</b>	<b>729.301</b>	<b>564.194</b>

  

	Company	
	31/12/2014	31/12/2013
<b>Balance at the beginning of the year</b>	<b>413.739</b>	<b>457.178</b>
<b>Additions:</b>		
Acquisition of investment property	160.707	-
Subsequent capital expenditure on investment property	215	83
Disposals	-	(3.019)
Transfer from investment property to property, plant and equipment (own use)	(687)	-
Net gain/(loss) from fair value adjustments on investment property	3.733	(40.503)
<b>Balance at the end of the year</b>	<b>577.707</b>	<b>413.739</b>

On March 06, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €5,880 (excluding other expenses of €124). The fair value of the property as evaluated by independent valuers on the acquisition date was €7,770. The investment was partially financed for the amount of €5,983 through the Company's funds originated from its 2007 Share Capital Increase and for the amount of €1 through the funds originated from the Share Capital Increase of 2014.

Additionally, on March 20, 2014, the Company completed the acquisition of a second warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €3,320 (excluding other expenses of €160). The fair value of the property as evaluated by independent valuers at the acquisition date was €10,770. The investment was partially financed for the amount of €3,462 through the Company's funds originated from its 2007 Share Capital Increase and for the amount of €8 through the funds originated from the Share Capital Increase of 2014.

## Notes to Consolidated and Company Financial Statements

On May 12, 2014, the Company acquired a portfolio of 14 assets from the Hellenic Republic Asset Development Fund, and their respective lease to the Hellenic Republic for 20 years was concluded, and the relevant sale and lease agreements were signed. The price paid for the acquisition of the portfolio amounted to €145,810 (excluding other acquisition costs of €12). The total surface of the properties is approximately 187,268sqm.. The major assets of the portfolio are hosting the Ministry of Education and Religious Affairs, the Ministry of Health, the Ministry of Justice, Transparency and Human Rights and the Central Athens Police Department. This transaction contributes to the further diversification of Company's property portfolio. The acquisition was financed for the amount of €58,670. through the Company's remaining funds originated from its 2007 Share Capital Increase and for the amount of €87,552 through the funds originated from the Share Capital Increase of 2014. It is noted that on December 06, 2013, the Company signed the heads of terms of a five year bond loan for an amount of €60,000 with HSBC Bank plc, London, which will finance part of the above mentioned investment.

Within the current year an amount of €687 was transferred from investment property to property plant and equipment (own use). This reclassification relates to the 4<sup>th</sup> floor of the property located in 117 Kifisias Avenue & Ag. Konstantinou, Maroussi, Greece.

Group's investment property is measured at fair value. The following table analyses Group's investment property per operating and geographical segment:

Country	Greece	Greece	Greece	Greece	Greece	Romania	Romania	Serbia	Serbia	2014	2013
Segment	Offices	Logistics	Retail	Mixed use	Special use	Retail	Offices	Mixed use	Retail	Total	Total
Fair value hierarchy	3	3	3	3	3	3	3	3	3		
<b>Fair value at January 01</b>	<b>148.517</b>	<b>37.546</b>	<b>141.700</b>	<b>149.157</b>	-	<b>10.862</b>	<b>63.200</b>	<b>12.045</b>	<b>1.167</b>	<b>564.194</b>	<b>547.100</b>
Additions:											
-Acquisition of investment property	99.370	14.485			46.852					160.707	-
-Subsequent capital expenditure on investment property	68	67	12	68						215	83
-Acquisition of investment property through Acquisition of a subsidiary										-	63.181
Transfer from investment property to property, plant and equipment (own use)				(687)						(687)	-
Disposals										-	(3.019)
Net gain/(loss) from fair value adjustments on investment property	707	3.930	646	(940)	551	278	(570)	257	13	4.872	(43.151)
<b>Fair value at December 31</b>	<b>248.662</b>	<b>56.028</b>	<b>142.358</b>	<b>147.598</b>	<b>47.403</b>	<b>11.140</b>	<b>62.630</b>	<b>12.302</b>	<b>1.180</b>	<b>729.301</b>	<b>564.194</b>

## Notes to Consolidated and Company Financial Statements

Information about the fair value measurements of the investment property per operating and geographical segment:

Country	Segment	Fair Value	Valuation technique	Monthly Rent	Discount rate (%)
Greece	Offices	248.662	80% discounted cash flows (DCF) & 20% sales comparison	1.741	9% -13,27%
Greece	Logistics	52.990	80% discounted cash flows (DCF) & 20% sales comparison	347	11% -12%
Greece	Retail	142.358	80% discounted cash flows (DCF) & 20% sales comparison	940	9,95% -11,25%
Greece	Mixed use	147.598	80% discounted cash flows (DCF) & 20% sales comparison	912	9% -10,2%
Greece	Land plot	3.038	Sales comparison	-	-
Greece	Special use	47.403	80% discounted cash flows (DCF) & 20% income method	389	12,10% - 12,87%
Romania	Retail	11.140	80% discounted cash flows (DCF) & 20% sales comparison	72	10,75%
Romania	Offices	62.630	80% discounted cash flows (DCF) & 20% sales comparison	389	10,25% -11,5%
Serbia	Mixed use	12.302	80% discounted cash flows (DCF) & 20% sales comparison	96	10,70%
Serbia	Retail	1.180	80% discounted cash flows (DCF) & 20% sales comparison	9	11,20%
	<b>Total</b>	<b><u>729.301</u></b>			

Company's investment property valuation is performed taking into consideration the high and best use (HABU) of each asset wherever possible, legally permissible and financially possible. This valuation is based on physical characteristics of each asset, the allowed usage and the opportunity cost of each investment.

Were the length of vacant periods as at December 31, 2014, were to increase or decrease in the DCF by +/-5% from management's estimates, the carrying amount of investment properties that are valued would be estimated +/- €1,942 lower or higher, respectively.

Were the discount rate as at December 31, 2014, used in the DCF analysis to increase or decrease by +/-5%, the carrying amount of investment properties would be an estimated €12,925 lower or €13,599 higher, respectively.

The net carrying amount of investment property held under finance leases as at 31.12.2014 amounts to €18,618 (31.12.2013: €18,721).

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed for June 30 and December 31 each year. Valuations are based on two methods according to the appraising standards, and for this portfolio the comparative or income method in conjunction with the method of discounted cash flow method are used. It is noted that the income method has been used only for the of 14 assets leased to the Hellenic Republic.

For lease liabilities and bank borrowings that are effectively secured as the rights to the leased asset revert to the lessor in the event of default please refer to note 15.

## Notes to Consolidated and Company Financial Statements

As of December 31, 2014, the Company has invested 78% of its total assets in property instead of 80% that is required by article 22, paragraph a) of Law 2778/1999 as amended and in force today.

### 8 Acquisition of subsidiary

Based on the framework agreement, among others, between Grivalia Properties REIC and its subsidiary Cloud Hellas Ktimatiki S.A. dated December 31, 2013, there was a contractual obligation for the Company to proceed with a share capital increase of €50,000, through payment in cash. It is noted that Cloud's share capital increase was financed through existing funds of the Company, which originated from its 2007 Share Capital Increase and was successfully completed on February 27, 2014.

Thereafter, Cloud Hellas Ktimatiki S.A on February 28, 2014, prepaid in full the outstanding bond loan (€55,983) and became free of any liabilities by using the proceeds of this share capital increase and the remaining cash and cash equivalents (see note 15).

Upon the finalization of the transaction, the conclusion of the shareholders agreement and the haircut of the bond loan of the subsidiary, the negative goodwill was finalized to a total amount of €13,303, out of which €1,253 was recorded in the current year.

The fair values of assets and liabilities acquired are as follows:

Investment property	63.181
Trade receivables	195
Receivables from Parent Company	50.000
Cash and cash equivalents	5.983
<b>Total assets</b>	<b>119.359</b>
Trade and other payables	1.877
Borrowings	54.179
<b>Total liabilities</b>	<b>56.056</b>
Total net assets acquired	63.303
Consideration of transaction	50.000
Negative goodwill 31.12.2013	12.050
<b>Negative goodwill 31.12.2014</b>	<b>1.253</b>

## Notes to Consolidated and Company Financial Statements

### 9 Property, plant and equipment

#### Group

	Land and buildings	Fixtures and fittings	Total
<b>Cost value:</b>			
Balance January 01, 2013	1.501	574	2.075
Additions	-	6	6
Balance December 31, 2013	<b>1.501</b>	<b>580</b>	<b>2.081</b>
<b>Accumulated depreciation:</b>			
Balance January 01, 2013	53	383	436
Depreciation charge	15	30	45
Balance December 31, 2013	<b>68</b>	<b>413</b>	<b>481</b>
<b>Net book value December 31, 2013</b>	<b>1.433</b>	<b>167</b>	<b>1.600</b>
<b>Cost value:</b>			
Balance January 01, 2014	1.501	580	2.081
Additions	937	19	956
Balance December 31, 2014	<b>2.438</b>	<b>599</b>	<b>3.037</b>
<b>Accumulated depreciation:</b>			
Balance January 01, 2014	68	413	481
Depreciation charge	117	24	141
Balance December 31, 2014	<b>185</b>	<b>437</b>	<b>622</b>
<b>Net book value December 31, 2014</b>	<b>2.253</b>	<b>162</b>	<b>2.415</b>

## Notes to Consolidated and Company Financial Statements

### Company

	Land and buildings	Fixtures and fittings	Total
<b>Cost value:</b>			
Balance January 01, 2013	1.501	574	2.075
Additions	-	2	2
Balance December 31, 2013	<b>1.501</b>	<b>576</b>	<b>2.077</b>
<b>Accumulated depreciation:</b>			
Balance January 01, 2013	53	383	436
Depreciation charge	15	30	45
Balance December 31, 2013	<b>68</b>	<b>413</b>	<b>481</b>
<b>Net book value December 31, 2013</b>	<b>1.433</b>	<b>163</b>	<b>1.596</b>
<b>Cost value:</b>			
Balance January 01, 2014	1.501	576	2.077
Additions	882	19	901
Balance December 31, 2014	<b>2.383</b>	<b>595</b>	<b>2.978</b>
<b>Accumulated depreciation:</b>			
Balance January 01, 2014	68	413	481
Depreciation charge	117	23	140
Balance December 31, 2014	<b>185</b>	<b>436</b>	<b>621</b>
<b>Net book value December 31, 2014</b>	<b>2.198</b>	<b>159</b>	<b>2.357</b>

### 10 Investment in Subsidiaries

	Country of incorporation	Percentage of interest	31/12/2014	31/12/2013	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2009-2014
Eliade Tower SA	Romania	99,99%	7.455	11.805	2009-2013
Retail Development S.A.	Romania	99,99%	4.561	4.561	2009-2013
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2009-2013
Cloud Hellas Ktimatiki S.A.	Greece	100%	50.000	50.000	2010,2014
			<b>100.742</b>	<b>105.092</b>	

During the current year, the figure "Investment in Subsidiary" decreased by €4,350, as analyzed in note 21.

## Notes to Consolidated and Company Financial Statements

### 11 Other long term receivables

The figure “Other long term receivables” for the year ended December 31, 2014, includes shareholders loans of €4,515 (31.12.2013: €4,315) and €8,070 (31.12.2013: €8,070) receivable from the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A. respectively. On December 09, 2014 the Company granted an additional amount of €200 to the subsidiary Eliade Tower S.A.. Additionally, the figure includes accrued rental receivable of €3,075 (31.12.2013: €2,896).

Group’s “Other long term receivables” as at December 31, 2014, includes accrued rental receivable of €3,380 (31.12.2013: €2,959).

### 12 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group		Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade receivables		3.098	857	3.037	554
Receivables from related parties	28	197	805	202	707
Other receivables		5.341	3.463	4.115	2.652
<b>Trade and other receivables</b>		<b>8.636</b>	<b>5.125</b>	<b>7.354</b>	<b>3.913</b>

Trade receivables of the Company and the Group as of December 31, 2014, increased mainly due to the delayed rental payment from the Greek Public Sector.

Trade receivables of the Company as of December 31, 2014, include provisions for bad debts amounting to €1,601 recorded in the previous years (31.12.2013: €1,601).

Trade receivables of the Group as of December 31, 2014, include provisions for bad debts amounting to €2,136 recorded in the previous years (31.12.2013: €2,136).

As at December 31, 2014 Company’s and Group’s other receivables have increased mainly due to the increased outstanding balance of the post-dated cheques.

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Trade receivables</b>				
Due within due date	2.349	477	2.288	368
Past due but not impaired:				
- 4 to 6 months	749	380	749	186
- over 6 months	-	-	-	-
Doubtful debts	2.136	2.136	1.601	1.601
Less: Provision for doubtful debts past due	(2.136)	(2.136)	(1.601)	(1.601)
	<b>3.098</b>	<b>857</b>	<b>3.037</b>	<b>554</b>

## Notes to Consolidated and Company Financial Statements

### 13 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cash in hand	2	4	-	1
Cash at bank and short-term deposits	185.446	190.691	173.701	176.944
<b>Cash and cash equivalents</b>	<b>185.448</b>	<b>190.695</b>	<b>173.701</b>	<b>176.945</b>

The Company can make use of its own funds freely as long as it upholds its articles of association and the limitations set by Law 2778/1999 as in force.

### 14 Shareholder Equity

The Group's shareholder equity is analysed as follows:

	shares (thousands)	Share capital	Share premium	Own shares	based payment	Other reserves	Retained earnings	Total Equity
<b>Balance January 01, 2013</b>	<b>59.853</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	-	<b>10.823</b>	<b>26.191</b>	<b>626.974</b>
Acquisition of own shares	(3)	-	-	(16)	-	-	-	(16)
Profit/ (loss) for the year	-	-	-	-	-	-	2.736	2.736
Foreign exchange differences	-	-	-	-	-	(48)	1	(47)
Transfer to reserves	-	-	-	-	-	4	(4)	-
<b>Balance December 31, 2013</b>	<b>59.850</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.779</b>	<b>28.924</b>	<b>629.647</b>
<b>Balance January 01, 2014</b>	<b>59.850</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	-	<b>10.779</b>	<b>28.924</b>	<b>629.647</b>
Share capital increase	40.260	85.754	107.494	-	-	-	-	193.248
Share capital issue costs	-	-	(3.009)	-	-	-	11	(2.998)
Sale of pre-emption rights of own shares	-	-	-	1.841	-	-	-	1.841
Acquisition of own shares	(41)	-	-	(305)	-	-	-	(305)
Profit/ (loss) for the year	-	-	-	-	-	-	49.995	49.995
Foreign exchange differences	-	-	-	-	-	20	1	(19)
Equity settled share based payments	-	-	-	-	865	-	-	865
Formation of statutory reserve	-	-	-	-	-	1.882	(1.882)	-
Dividend relating to previous years	-	-	-	-	-	-	(18.227)	(18.227)
<b>Balance December 31, 2014</b>	<b>100.069</b>	<b>215.684</b>	<b>571.234</b>	<b>(5.199)</b>	<b>865</b>	<b>12.641</b>	<b>58.822</b>	<b>854.047</b>

As at November 08, 2013, the Extraordinary Shareholders Meeting decided the Share Capital Increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40,260,000 new common registered shares, of a nominal value of (amount in €) €2.13 and issue price of (amount in €) €4.80 each.

The Share Capital Increase which started on January 14, 2014, was successfully completed and fully covered on January 31, 2014. As a consequence, Company's Share Capital was increased by €85,754 through the issuance of 40,260,000 new common shares and the resulting difference of €107,494 was credited to a special reserve "share premium account" as provided by Law. The Share Capital issue costs amounted to €3,009.

On June 25, 2014, the parent company Eurobank Ergasias S.A. sold 13,636,848 registered ordinary Company shares with voting rights, representing 13.47% of the share capital for a total amount of €19,322. Consequently today Eurobank Ergasias S.A. holds directly and indirectly through fully controlled subsidiaries, 20,742,130 registered ordinary Company shares with voting rights, representing 20.48% of the Company's Share Capital.

The total authorised number of ordinary shares as at December 31, 2014, is 101,260,000 (December 31, 2013 – 61,000,000) with a par value of (amount in €) €2.13 per share. All shares are fully paid up amounting to €215,684. All shares are listed in the main market of Athens Stock Exchange. The Company shares are ordinary shares with voting rights.

## Notes to Consolidated and Company Financial Statements

The Company's shareholder structure with stakes over 5% as at December 31, 2014, is as follows:

- |                                      |        |
|--------------------------------------|--------|
| • Fairfax Financial Holdings Limited | 41.50% |
| • Eurobank Ergasias A.E.             | 20.48% |
| • Wellington Management Company LLP  | 11.16% |
| • Fidelity Management & Research LLC | 5.84%  |

The abovementioned percentage of Fairfax Financial Holdings Limited includes Wentworth Insurance Company Limited (subsidiary of Fairfax Financial Holdings Limited) which owns directly 5,278,797 ordinary shares amounting to 5.21% of Company's Share Capital. Also, Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited) is included, which owns directly 9,596,988 common shares amounting to 9.48% of Company's Share Capital.

It is noted that the above percentages are in accordance with the TR1 disclosures notified by the above shareholders.

The Company, based on the decision of the Extraordinary Shareholders Meeting dated November 08, 2013, disposed the pre-emption rights of 1,150,571 own shares through the Athens Stock Exchange. Specifically, on January 14, 2014, the Company disposed 994,320 pre-emption rights at a value of €1,591 and on January 15, 2014, the Company disposed 156,251 pre-emption rights at a value of €250.

The Company in 2014 purchased 40,415 own shares of a total cost of €305 with an average price of (amount in €) €7.55 per share, according to the Annual General Meeting of the Shareholders dated April 14, 2014 which approved the purchase of own shares for an additional period of two years and up to an amount of 2,000,000 shares at a maximum price of (amount in €) €15 per share and a minimum price of (amount in €) €2.13, in accordance with article 16 of Law 2190/1920 as it was amended by Law 3604/2007.

As at December 31, 2014 the Company owned 1,190,986 own shares of a total cost of €7,040 with an average price of (amount in €) €5.91 per share. As of December 31, 2013 the company owned 1,150,571 own shares of a total cost of €6,735 with an average price of (amount in €) €5.85 per share.

### Share based payment reserve

Share based payment reserve includes an amount of €865 relating to equity settled share based payments to key management which is recognized as an expense in the account "Employee benefit expense- BoD" (see note 19).

The cost of these benefits is determined based on the fair value of the options as of the date they are granted and recognized as an expenses in the period starting from the date they are granted until the maturity date of the relevant rights with an equal parallel increase in equity.

### Other reserves

Other reserves mainly include statutory reserves and reserves from income taxed in a special way relating to gains from sale of shares not listed, namely the company Immobiliare Rio Nuovo S.p.A in the year 2002.

As of December 31, 2014 the Company recognized Statutory Reserve amounting to €1,881.

## Notes to Consolidated and Company Financial Statements

### 15 Borrowings including obligations under finance leases

All borrowings are at variable interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such changes.

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Non-current</b>				
Bank borrowings	48.429	51.138	19.625	20.485
Finance lease liabilities	8.215	10.966	8.215	10.966
<b>Non-current borrowings, including finance leases</b>	<b>56.644</b>	<b>62.104</b>	<b>27.840</b>	<b>31.451</b>
<b>Current</b>				
Bank borrowings	4.534	60.530	2.590	2.589
Finance lease liabilities	2.744	2.602	2.743	2.602
<b>Current borrowings, including finance leases</b>	<b>7.278</b>	<b>63.132</b>	<b>5.333</b>	<b>5.191</b>
<b>Total borrowings, including finance leases</b>	<b>63.922</b>	<b>125.236</b>	<b>33.173</b>	<b>36.642</b>

The maturity of loans is as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Up to 1 year	7.278	63.132	5.333	5.191
From 1 to 5 years	39.969	29.059	11.165	12.462
Over 5 years	16.675	33.045	16.675	18.989
	<b>63.922</b>	<b>125.236</b>	<b>33.173</b>	<b>36.642</b>

The exposure of the Group's borrowings to interest rate changes and the contractual reprising dates are limited to a maximum period of 6 months.

The effective interest rate is as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Bank borrowings	2,99%	2,99%	2,62%	2,65%
Finance lease liabilities	2,14%	2,10%	2,14%	2,10%

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based current variable interest rates at the end of the current year.

The Group is not exposed to foreign exchange risk in relation to the loans undertaken, as all borrowings are denominated in the functional currency (Euro).

## Notes to Consolidated and Company Financial Statements

Minimum lease payments in respect of finance leases are as follows:

	Group and Company	
	31/12/2014	31/12/2013
Up to 1 year	2.933	2.870
From 1 to 5 years	7.500	9.241
Over 5 years	1.020	2.272
	<b>11.453</b>	<b>14.383</b>
Future finance charges on finance leases	(494)	(815)
<b>Present value of finance lease liabilities</b>	<b>10.959</b>	<b>13.568</b>

The present value of finance lease liabilities is as follows:

	Group and Company	
	31/12/2014	31/12/2013
Up to 1 year	2.744	2.602
From 1 to 5 years	7.205	8.742
Over 5 years	1.010	2.224
<b>Present value of finance lease liabilities</b>	<b>10.959</b>	<b>13.568</b>

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

A mortgage of €4,660 has been registered in favor of Eurobank A.D. Beograd over a property of the subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia.

A mortgage of €22,000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Seferco Development S.A., located at Bd.Dimitrie Pompeiu, Nr. 6A Bucharest, Romania.

A mortgage of €12,000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Eliade Tower S.A., located at 18 Mircea Eliade Blvd Bucharest, Romania.

Finally, a mortgage of €29,900 has been registered in favor of Alpha Bank S.A. over the property of the parent Company located in Tauros, 25 Martiou & Thessalonikis and in Athens, 49 Stadiou.

### 16 Trade and other payables

The analysis of trade and other payables is as follows:

	Note	Group		Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade payables		771	1.051	488	544
Other payables and accruals		5.272	2.286	4.941	1.013
Amounts due to related parties	28	306	1.057	272	1.010
<b>Trade and other payables</b>		<b>6.349</b>	<b>4.394</b>	<b>5.701</b>	<b>2.567</b>

“Other payables and accruals” for the Company as of December 31, 2014, increased mainly due to the recognition of deferred income relating to the following trimester according to the agreement signed with Hellenic Republic Asset Development Fund for the lease of 14 properties to the Hellenic Republic.

## Notes to Consolidated and Company Financial Statements

### 17 Rental income

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Rental revenue	50.596	36.691	38.425	30.063
Income/ (expense) from service charges	40	84	-	-
<b>Rental income</b>	<b>50.636</b>	<b>36.775</b>	<b>38.425</b>	<b>30.063</b>

The lease period whereby the Group leases out its property (located in Greece) under operating leases is in most cases for a 12 year term. Annual rental increases are linked to the Greek CPI and the HICP and in the case of deflation there is no negative impact to the Company's income.

Contingent rents for the year ended December 31, 2014 and December 31, 2013 have no material effect on the income statement for the Group and the Company.

Rental income of the Group is not subject to seasonality.

Future aggregate minimum (non-cancellable) rentals receivable under operating leases, exclusive of future rental adjustments, were as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Up to 1 year	54.864	42.028	43.432	29.822
From 1 to 5 years	206.076	154.945	170.291	115.537
Over 5 years	413.775	219.332	383.491	182.460
	<b>674.715</b>	<b>416.305</b>	<b>597.214</b>	<b>327.819</b>

### 18 Other direct property relating expenses

Other direct property related expenses comprise the following:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Valuation fees	109	158	95	61
Lawyers' fees and other professional services	77	127	44	94
Stamp duty and other withholding taxes	30	66	29	66
Insurance expenses	448	320	383	272
Repair and maintenance expenses	404	429	262	359
Services charges	253	306	250	305
Other expenses	6	8	-	3
<b>Other direct property relating expenses</b>	<b>1.327</b>	<b>1.414</b>	<b>1.063</b>	<b>1.160</b>

## Notes to Consolidated and Company Financial Statements

Other direct property relating expenses incurred in leased and vacant properties were as follows:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Leased property	1.266	1.295	1.006	1.049
Vacant property	61	119	57	111
	<b>1.327</b>	<b>1.414</b>	<b>1.063</b>	<b>1.160</b>

### 19 Employee Benefit Expense- BoD

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Salaries, wages and allowances	1.269	833	1.234	808
Social security costs	239	201	232	196
Other benefits	1.060	85	1.058	83
Profit distributed to employees- BoD	957	491	957	491
<b>Employee benefit expense- BoD</b>	<b>3.525</b>	<b>1.610</b>	<b>3.481</b>	<b>1.578</b>

The figure "Profit distributed to employees-BoD" for the year ended December 31, 2014 includes a provision of €1,000 for additional benefits of 2014 that will be paid in 2015 (31.12.2013: €600).

The total number of employees of the Company and the Group as at December 31, 2014 was 26 and 29 respectively (31.12.2013: 17 and 20 respectively).

### 20 Other income

As at December 03, 2014 the Company received dividend from the subsidiary Seferco Development S.A. amounting to €2,666.

### 21 Impairment of subsidiary

As at December 31, 2014, the Company performed an impairment test of the value of its investments in subsidiaries according to its strategic plan and management assessments. As a result, the Company recognized an impairment loss of €4,350 on its income statement for its subsidiary Eliade Tower SA. Eliade Tower S.A. is a special purpose vehicle and is the owner of an office building with a retail store on the ground floor at 18 Mircea Eliade Blvd in Bucharest, Romania.

## Notes to Consolidated and Company Financial Statements

### 22 Other Expenses

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Professional fees	414	375	230	244
Expenses relating to promotion, advertising and publication:	317	177	315	177
Other	767	665	686	656
<b>Other expenses</b>	<b>1.498</b>	<b>1.217</b>	<b>1.231</b>	<b>1.077</b>

### 23 Taxes

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Current income tax	1.430	1.346	945	1.031
Other taxes relating to investment property	2.749	809	1.735	329
Extraordinary property tax imposed according law 4021/3-10-2011	-	562	-	562
Deferred tax	13	8	-	-
<b>Taxes</b>	<b>4.192</b>	<b>2.725</b>	<b>2.680</b>	<b>1.922</b>

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 of any further tax liabilities. Taxes for the Group and the Company for the year ended December 31, 2014, amounts to €4,192 and €2,680 respectively.

Company's and Group's taxes, for the year ended December 31, 2014, include an expense from the imposition of aggregate tax on property of €1,721 and €2,226 respectively. It is noted that in 2014, the aggregate tax on property replaced the extraordinary property tax according Law 4021/3-10-2011 as well as property tax.

The subsidiary Cloud Hellas Ktimatiki S.A. which is incorporated in Greece is taxed under REICs' tax regime.

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. For the year ended December 31, 2014 for the subsidiaries located in Romania the income tax amounted to €389, whereas for the subsidiary located in Serbia no significant income tax expense was incurred.

### 24 Dividends per share

On April 14<sup>th</sup>, 2014, Company's shareholders approved the distribution of dividend from previous years retained earnings amounting to €8,227 ([amount in €] €0.18 per share).

The payment of dividend commenced on April 29<sup>th</sup>, 2014, through the paying Bank, Eurobank Ergasias S.A..

On November 03<sup>rd</sup>, 2014, Company's Board of Directors approved the distribution of interim dividend for year 2014 (amount in €] €0.10 per share).

The payment of dividend commenced on January 13<sup>th</sup>, 2015, through the paying Bank, Eurobank Ergasias S.A. The final approval of the interim dividend for 2014 is expected from the Annual General Shareholders' Meeting.

## Notes to Consolidated and Company Financial Statements

### 25 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the consolidated net profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>Group</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Profit/ (loss) attributable to equity holders of the Company</b>	49.995	2.736
<b>Weighted average number of ordinary shares in issue (thousands)</b>	96.025	59.850
<b>Basic earnings/ (losses) per share (€ per share)</b>	<b>0,52</b>	<b>0,05</b>

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.

### 26 Contingent Liabilities

The Company has not been subject to tax audit for the years ended December 31, 2008, 2009 and 2010. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax years. The Company has been audited by a certified auditor according to Law 2238/1994 article 82 par. 5, and has received a tax certificate for the year 2011, 2012 and 2013.

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1,191 for the open tax years to December 31, 2004. The Company's management, based on the opinion of its legal advisors, believes that there is a serious dispute basis and has made appeals for the cancellation for additional income tax and fines of up to amount €1,191. The hearing of the case took place on April 01<sup>st</sup>, 2014, and the decision is pending. Company's management believes that no provision for the later amounts that may be assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise.

### 27 Capital expenditures

On December 31, 2014 Group's capital expenditure relating to improvements on investment property amounted to €12.

### 28 Related party Transactions

The Company is controlled by Eurobank Ergasias S.A. (incorporated in Athens and listed on the Athens Stock Exchange, Greece). Following the completion of the Company's Share Capital increase on January 31, 2014 and the listing of the new shares in Athens Stock Exchange on February 06, 2014, the participation of the Eurobank Ergasias S.A. in the Company's Share Capital is 33.95%.

On June 25, 2014 Eurobank Ergasias S.A. sold through the Athens Exchange to institutional investors 13,636,848 of common shares with voting rights of Eurobank Properties, which correspond to approximately 13.5% of Eurobank Properties share capital. Following the completion of this transaction the participation of the Eurobank Ergasias S.A. in the Company's Share Capital reduced from 33.95% to 20.48%.

Following the completion of the Bank's share capital increase fully covered by private, institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23% to 35.41%. In addition, in the context of the Law 3864/2010 (the 'HFSF Law') as amended by Law 4254/2014, the HFSF's voting rights in the Bank's General Assemblies have been switched to restricted ones. Accordingly, as of early May, the HFSF is no more the controlling shareholder of the Group but is considered to have significant influence over it. Therefore, the HFSF is considered to be a related party to the Group, whereas Greek Banks significantly influenced by HFSF, within the context of the Greek Banks' recapitalization, are not regarded as such.

## Notes to Consolidated and Company Financial Statements

All transactions with related parties are entered into in the normal course of business on an arm's length basis.

The following transactions were carried out with related parties:

- a) Rental income received and sale of services

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Rental income</b>				
Subsidiary (Eliade Tower S.A.)	-	-	6	-
Parent (Bank Eurobank Ergasias S.A.)	11.179	10.651	11.179	10.651
Other related parties	6.710	7.388	2.496	3.177
	<b>17.889</b>	<b>18.039</b>	<b>13.681</b>	<b>13.828</b>

Group's rental revenues from leases with Eurobank Ergasias S.A. amount to 22% for 2014 (2013: 29%).

- b) Purchase of services

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Technical service fees</b>				
Subsidiary of parent company (Eurobank Property Services S.A.)	233	502	93	216
	<b>233</b>	<b>502</b>	<b>93</b>	<b>216</b>

- c) Finance Costs

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Bank borrowings</b>				
Parent (Bank Eurobank Ergasias S.A.)	335	310	42	43
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	665	679	-	-
Subsidiary of parent company (Eurobank A.D. Beograd)	37	42	-	-
Subsidiary of parent company (SC Bancpost S.A.)	5	-	-	-
Subsidiary of parent company (New Europe Funding B.V.)	65	66	-	-
<b>Finance lease liabilities</b>				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	237	282	237	282
	<b>1.344</b>	<b>1.379</b>	<b>279</b>	<b>325</b>

## Notes to Consolidated and Company Financial Statements

d) Interest income earned on cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiary (Eliade Tower S.A.)	-	-	263	262
Subsidiary (Retail Development S.A.)	-	-	491	407
Parent (Bank Eurobank Ergasias S.A.)	4.580	5.516	4.520	5.516
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	43	-	43	-
Subsidiary of parent company (Eurobank A.D. Beograd)	36	27	-	-
Subsidiary of parent company (SC Bancpost S.A.)	21	299	-	130
	<b>4.680</b>	<b>5.842</b>	<b>5.317</b>	<b>6.315</b>

e) Capital transfer ( borrowings- finance leases)

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Net cash transfers in/ (out) under financing arrangements</b>				
Subsidiary (Eliade Tower S.A.)	-	-	(200)	-
Subsidiary (Retail Development S.A.)	-	-	-	(7.170)
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	(1.680)	(1.680)	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	(2.365)	(2.256)	(2.365)	(2.256)
Subsidiary of parent company (Eurobank A.D. Beograd)	(100)	(100)	-	-
Subsidiary of parent company (New Europe Funding B.V.)	(70)	(70)	-	-
	<b>(4.215)</b>	<b>(4.106)</b>	<b>(2.565)</b>	<b>(9.426)</b>

f) Key management compensation – Group and Company

	<b>31/12/2014</b>	<b>31/12/2013</b>
Key management compensation	1.145	692
Equity settled share based payments	865	-
	<b>2.010</b>	<b>692</b>

During 2014, interest bearing loans advanced to key management were €12.

## Notes to Consolidated and Company Financial Statements

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

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Other long term receivables</b>				
Subsidiary (Eliade Tower S.A.)	-	-	4.515	4.315
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	1.315	1.591	1.315	1.591
Other related parties	126	45	82	-
	<b>1.441</b>	<b>1.636</b>	<b>13.982</b>	<b>13.976</b>
<b>Trade and other receivables from related parties</b>				
Subsidiary (Eliade Tower S.A.)	-	-	67	66
Subsidiary (Retail Development S.A.)	-	-	124	124
Parent (Bank Eurobank Ergasias S.A.)	(15)	298	(15)	297
Other related parties	212	507	26	220
	<b>197</b>	<b>805</b>	<b>202</b>	<b>707</b>
<b>Trade payables to related parties</b>				
Subsidiary (Cloud Hellas S.A.)	-	-	-	50.000
Parent (Bank Eurobank Ergasias S.A.)	45	748	45	748
Other related parties	261	185	227	246
	<b>306</b>	<b>933</b>	<b>272</b>	<b>50.994</b>
<b>Long-term tenant deposits</b>				
Parent (Bank Eurobank Ergasias S.A.)	1.723	1.769	1.723	1.769
Other related parties	361	489	361	489
	<b>2.084</b>	<b>2.258</b>	<b>2.084</b>	<b>2.258</b>
<b>Other non-current liabilities</b>				
Parent (Bank Eurobank Ergasias S.A.)	279	307	279	307
Other related parties	11	12	11	12
	<b>290</b>	<b>319</b>	<b>290</b>	<b>319</b>
<b>Short-term tenant deposits</b>				
Parent (Bank Eurobank Ergasias S.A.)	18	18	18	18
Other related parties	44	-	44	-
	<b>62</b>	<b>18</b>	<b>62</b>	<b>18</b>
<b>Long-term borrowings, including finance leases</b>				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	25.994	27.673	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	7.120	9.620	7.120	9.620
Subsidiary of parent company (Eurobank A.D. Beograd)	300	400	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.510	2.580	-	-
	<b>35.924</b>	<b>40.273</b>	<b>7.120</b>	<b>9.620</b>
<b>Short-term borrowings, including finance leases</b>				
Parent (Bank Eurobank Ergasias S.A.)	1.716	1.716	1.716	1.716
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.780	1.785	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	2.493	2.357	2.493	2.357
Subsidiary of parent company (Eurobank A.D. Beograd)	103	103	-	-
Subsidiary of parent company (New Europe Funding B.V.)	70	70	-	-
	<b>6.162</b>	<b>6.031</b>	<b>4.209</b>	<b>4.073</b>
<b>Cash and cash equivalents</b>				
Parent (Bank Eurobank Ergasias S.A.)	141.827	147.630	136.753	147.630
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1	1	1	1
Subsidiary of parent company (Eurobank A.D. Beograd)	2.879	2.386	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1.008	1.482	1	1
	<b>145.715</b>	<b>151.499</b>	<b>136.755</b>	<b>147.632</b>

## Notes to Consolidated and Company Financial Statements

### h) Commitments and contingent liabilities

There are no commitments and contingent liabilities between the Company and related parties.

### **29 Events after the balance sheet date**

No significant events have taken place after December 31, 2014, that affect the financial position of the Group or Company that need to be mentioned according to the International Financial Reporting Standards.

**Summary financial data and information for the year ended December 31<sup>st</sup>, 2014**  
(according to Law 2190/20, article 135, for companies that prepare annual financial statements according to I.F.R.S.)

The financial information listed below, extracted from the Annual Consolidated and Company Financial Statements for the year ended December 31<sup>st</sup>, 2014 aims to provide a general awareness about the financial position and the financial results of the Company Grivalia Properties REIC. Consequently, it is recommended to the reader, before any investment decision or transaction is performed with the Company, to visit the website of the Company where the Annual Consolidated and Company Financial Statements for the year December 31<sup>st</sup>, 2014 are available.

**COMPANY'S DATA**

**Authority in charge:** Ministry of Regional Development and Competitiveness  
**Registered office:** 117 Kiffissias Avenue, Maroussi, 15124  
**Business:** Real Estate Investment Company  
**Capital Market Commission Decision Number:** 11/352/21.9.2005  
**General Commercial Registry :** 000239101000  
**Date of approval of the financial statements (from which summary data were compiled):** 28/1/2015  
**Certified Auditor Accountant:** Dimitris Sourbis  
**Audit Firm:** PricewaterhouseCoopers S.A.  
**Audit Opinion:** Unqualified  
**Company's website:** <http://www.grivalia.com>

**Board of Directors:** Nikolaos A. Bertosos, Petros Katsoulas, Wade Sebastian Burton, Georgios Chryssikos, Platon Monokrousos, Georgios Bersis, Georgios Katsimbris, Georgios Papazoglou, Ignace Charles Rotman, Takis Kanellopoulos, Dimitris Papadopoulos  
Chairman, Non Executive Member  
Vice-President A', Non Executive Member  
Vice-President B', Non Executive Member  
CEO, Executive Member  
Non Executive Member  
Non Executive Member  
Independent Non Executive Member  
Independent Non Executive Member  
Independent Non Executive Member  
Independent Non Executive Member

STATEMENT OF FINANCIAL POSITION Amounts in Euro thousand			
Company		Group	
31.12.2014	31.12.2013	31.12.2014	31.12.2013
<b>ASSETS</b>			
577.707	413.739	729.301	564.194
2.357	1.596	2.415	1.600
-	-	-	-
100.742	105.092	-	-
37	55	372	390
-	-	348	391
15.660	15.281	3.380	2.959
<b>696.503</b>	<b>535.763</b>	<b>735.816</b>	<b>569.534</b>
3.037	554	3.098	857
4.317	3.359	5.538	4.268
173.701	176.945	185.448	190.695
<b>181.055</b>	<b>180.858</b>	<b>194.084</b>	<b>195.820</b>
<b>877.558</b>	<b>716.621</b>	<b>929.900</b>	<b>765.354</b>
<b>SHAREHOLDERS' EQUITY</b>			
215.684	129.930	215.684	129.930
571.234	466.749	571.234	466.749
(5.199)	(6.735)	(5.199)	(6.735)
865	-	865	-
11.903	10.021	12.641	10.779
38.888	21.453	58.822	28.924
<b>833.375</b>	<b>621.418</b>	<b>854.047</b>	<b>629.647</b>
<b>LIABILITIES</b>			
27.840	31.451	56.644	62.104
2.796	2.962	2.796	2.962
290	319	290	319
<b>30.926</b>	<b>34.732</b>	<b>59.730</b>	<b>65.385</b>
5.701	2.567	6.349	4.394
-	50.000	-	-
13	7	13	7
479	364	479	364
1.731	2.342	2.004	2.425
5.333	5.191	7.278	63.132
<b>13.257</b>	<b>60.471</b>	<b>16.123</b>	<b>70.322</b>
<b>44.183</b>	<b>95.203</b>	<b>75.853</b>	<b>135.707</b>
<b>877.558</b>	<b>716.621</b>	<b>929.900</b>	<b>765.354</b>
<b>STATEMENT OF CHANGES IN EQUITY Amounts in Euro thousand</b>			
Company		Group	
31.12.2014	31.12.2013	31.12.2014	31.12.2013
621.418	631.748	629.647	626.974
37.533	(10.314)	49.976	2.689
193.248	-	193.248	-
(2.998)	-	(2.998)	-
1.841	-	1.841	-
(305)	(16)	(305)	(16)
-	-	-	-
865	-	865	-
(18.227)	-	(18.227)	-
<b>833.375</b>	<b>621.418</b>	<b>854.047</b>	<b>629.647</b>

STATEMENT OF COMPREHENSIVE INCOME Amounts in Euro thousand			
Company		Group	
Continuing Operations	Continuing Operations	Continuing Operations	Continuing Operations
1.1-31.12.2014	1.1-31.12.2013	1.1-31.12.2014	1.1-31.12.2013
38.425	30.063	50.636	36.775
3.733	(40.503)	4.872	(43.151)
-	150	-	150
(1.156)	(2.116)	(1.560)	(2.652)
<b>41.002</b>	<b>(12.406)</b>	<b>53.948</b>	<b>(8.878)</b>
<b>34.524</b>	<b>(15.050)</b>	<b>48.842</b>	<b>(11.695)</b>
<b>40.213</b>	<b>(8.392)</b>	<b>54.187</b>	<b>5.461</b>
<b>37.533</b>	<b>(10.314)</b>	<b>49.995</b>	<b>2.736</b>
37.533	(10.314)	49.995	2.736
-	-	-	-
37.533	(10.314)	49.976	2.689
-	-	(19)	(47)
37.533	(10.314)	49.976	2.689
-	-	-	-
0,3909	(0,1723)	0,5204	0,0449
<b>34.692</b>	<b>(14.961)</b>	<b>49.012</b>	<b>(11.605)</b>

CASH FLOW STATEMENT Amounts in Euro thousand			
Company		Group	
1.1-31.12.2014	1.1-31.12.2013	1.1-31.12.2014	1.1-31.12.2013
<b>Operating activities</b>			
40.213	(8.392)	54.187	5.461
-	-	-	-
(2.724)	(100)	(58)	(100)
6.136	-	1.605	-
168	89	170	90
(3.733)	40.503	(4.872)	43.151
-	(150)	-	(150)
-	-	19	47
(6.704)	(7.745)	(1.253)	(12.050)
1.015	1.087	2.084	2.180
(4.284)	(1.486)	(4.045)	(217)
50	746	198	(1.273)
(1.002)	(1.083)	(2.083)	(2.208)
(947)	(1.508)	(2.477)	(2.306)
<b>28.186</b>	<b>21.961</b>	<b>37.299</b>	<b>25.339</b>
<b>Investing activities</b>			
-	-	-	5.983
(50.000)	-	-	-
2.666	-	-	-
(124)	(86)	(435)	(86)
(160.707)	-	(160.707)	-
(214)	(2)	(214)	(7)
-	3.300	-	3.300
(200)	(8.070)	-	-
-	900	-	-
6.998	9.285	(55.983)	6.494
<b>(201.581)</b>	<b>5.327</b>	<b>(210.845)</b>	<b>18.103</b>
<b>Financing activities</b>			
190.239	-	190.239	-
1.841	-	1.841	-
(244)	(16)	(244)	(16)
(2.610)	(2.497)	(2.610)	(2.497)
(850)	(835)	(2.700)	(11.325)
(18.227)	-	(18.227)	-
<b>170.149</b>	<b>(3.348)</b>	<b>168.299</b>	<b>(13.838)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year</b>			
<b>(3.244)</b>	<b>23.940</b>	<b>(5.247)</b>	<b>29.604</b>
176.945	153.005	190.695	161.091
<b>173.701</b>	<b>176.945</b>	<b>185.448</b>	<b>190.695</b>

**Additional data and information (amounts in Euro thousand):**

- The Company has not been subject to tax audit for the years ended December 31<sup>st</sup>, 2008, 2009 and 2010. The Company has been audited by a certified auditor according to Law 2238/1994 article 82 par. 5, and has received a tax certificate for the years 2011, 2012 and 2013. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax years. For further information, refer to note 26 on the Annual Consolidated and Company Financial Statements for the year ended December 31<sup>st</sup>, 2014.
- Company's Financial Statements are included in the Consolidated Financial Statements of Eurobank Ergasias S.A. (registered offices in Greece), which owns 20,48% of the Company's ordinary shares, by the full consolidation method.
- As at November 08<sup>th</sup>, 2013, the Extraordinary Shareholders Meeting decided the Share Capital Increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40.260.000 new common registered shares, of a nominal value of (amount in €) €2,13 and issue price of (amount in €) €4,80 each.  
The Share Capital Increase which started on January 14<sup>th</sup>, 2014, was successfully completed and fully covered on January 31<sup>st</sup>, 2014. As a consequence, Company's Share Capital increased by €65.754 through the issuance of 40.260.000 new common shares and the resulting difference of €107.494 was credited to a special reserve "share premium account" as provided by law. Share Capital issue costs amounted to €3.009. (note 14)
- On March 06<sup>th</sup>, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €5.880 (excluding other expenses of €124). The fair value of the property as evaluated by independent valuers on the acquisition date was €7.770. The investment was partially financed for the amount of €5.983 through the Company's funds originated from its 2007 Share Capital Increase and for the amount of €21 through the funds originated from the Share Capital Increase of 2014.  
Additionally, on March 20<sup>th</sup>, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €8.320 (excluding other expenses of €160). The fair value of the property as evaluated by independent valuers on the acquisition date was €10.770. The investment was partially financed for the amount of €8.462 through the Company's funds originated from its 2007 Share Capital Increase and for the amount of €18 through the funds originated from the Share Capital Increase of 2014.  
On May 12<sup>th</sup>, 2014, the Company acquired a portfolio of 14 assets from the Hellenic Republic Asset Development Fund, and their respective lease to the Hellenic Republic for 20 years was concluded, and the relevant sale and lease agreements were signed. The price paid for the acquisition of the portfolio amounted to €145.810 (excluding other acquisition costs of €412). The total surface of the properties is approximately 187.268sqm. The major assets of the portfolio are hosting the Ministry of Education and Religious Affairs, the Ministry of Health, the Ministry of Justice, Transparency and Human Rights and the Central Athens Police Department. This transaction contributes to the further diversification of Company's property portfolio. The acquisition was financed for the amount of €58.670 through Company's remaining funds originated from its 2007 Share Capital Increase and for the amount of €87.552 through the funds originated from the Share Capital Increase of 2014. It is noted that on December 06<sup>th</sup>, 2013, the Company signed the heads of terms of a five year bond loan for an amount of €60.000 with HSBC Bank plc, London, which will finance part of the above mentioned investment. (note 7)
- The fixed assets of the Group are free of charges and encumbrances, except from the following. A mortgage of €4.660 has been registered in favor of Eurobank A.D. Beograd over a property of its subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia. A mortgage of €22.000 has been registered in favor of Eurobank Ergasias S.A. over the property of its subsidiary Seferco Development S.A., located at Bucharest, Avenue Dimitrie Pompeiu 6A, Romania. A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of its subsidiary Eliade Tower S.A., located at Bucharest, Avenue Mircea Eliade 18, Romania. Finally, a mortgage of €29.900 has been registered in favor of Alpha Bank S.A. over the property of the parent Company located in Tauros, 25 Martiou & Thessalonikis and in Athens, 49 Stadiou. (note 15)
- The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totaling €1.191 for the open tax years to December 31<sup>st</sup>, 2004. Company's management, based on the advice of its legal advisors, disputes additional assessments of income taxes, and penalties totaling €1.191 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. The trial took place on April 01<sup>st</sup>, 2014 and the decision is pending. Company's management believes that no provision for the later amounts that may be assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise (note 26).
- The total number of employees of the Company and the Group as at December 31<sup>st</sup>, 2014 was 26 and 29 respectively (31.12.2013: 17 and 20 respectively).
- As at December 31<sup>st</sup>, 2014, the Group has accounted for a cumulative provision of: a) difference under dispute €0, b) unaudited tax years €0 and c) other provisions €2.136.
- The related party transactions of the Group are as follows: a) Revenues €22.569, b) Expenses €1.577, c) Receivables €147.353 and d) Payables €44.828. The related party transactions of the Company are as follows: a) Revenues €18.998, b) Expenses €372, c) Receivables €150.939 and d) Payables €14.037. Key management compensation, both for the Group and the Company, is the following: a) Salaries and other short-term employee benefits €2.010, b) Receivables €297 and c) Payables €0.
- Total comprehensive loss for the year ended amounts to €19 and relates to exchange rate differences.
- As at December 31<sup>st</sup>, 2014 the Company has acquired 1.190.986 own shares, at a total value of €7.040 and at an average price of (amount in €) €5,91 per share (note 14).

Maroussi, January 28<sup>th</sup>, 2015

The Chairman of the BoD

The Chief Executive Officer

The Chief Financial Officer

The Chief Accountant

Nikolaos A. Bertosos  
ID No AH 023829

Georgios Chryssikos  
ID No N 161578

Panagiotis - Aristeidis Varfis  
ID No E 163166

Evangolos Tentis  
Perm. No 064953

It is hereby notified, in accordance with decision as of 20.12.2007 of the Athens Stock Exchange, that from Company's Share Capital Increase through cash to existing shareholders, at a ratio of three new shares for every two shares, which took place on the basis of decisions of Company's Extraordinary General Assemblies on 03.09.2007 and 15.10.2007 respectively, raised a net capital of €322.745 thousand (total amount of €329.400 thousand less issuing costs of €6.655 thousand). From this Share Capital Increase 36.600.000 new common shares have been issued at an issue price of €9 per share, which were listed for trading on the Athens Stock Exchange on 24.12.2007. Company's Share Capital Increase was certified by the Board of Directors of the Company on 13.12.2007. Until 31.12.2014 the proceeds from the Share Capital Increase were distributed, in accordance with the Offering Memorandum, as follows:

<b>TIMESCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE</b>												
(Amounts in € thousand)	SHARE CAPITAL INCREASE PROCEEDS 2 <sup>nd</sup> Semester 2007	INVESTMENTS								TOTAL INVESTED 31.12.2014	REMAINING BALANCE TO BE INVESTED	
		2007	2008	2009	2010	2011	2012	2013	2014			
Investment in Real Estate Property providing income used as Offices or other Professional or Industrial Purposes		52.312	45.208	50.647	1.214	6.675	-	-	-	14.445	170.501	
Refund from final price calculation of "Tavros Protypi Anaptixi S.A."		-	-	(425)	-	-	-	-	-	-	(425)	
Subsidiary's share capital increase	322.745	-	-	-	-	-	-	-	-	50.000	50.000	-
Investment in Real Estate Property to accommodate Public Services		-	-	-	-	-	-	-	-	58.670	58.670	
Payment from final price calculation of subsidiaries acquisition		-	-	-	434	-	-	-	-	-	434	
Repayment of Loans		30.000	13.565	-	-	-	-	-	-	-	43.565	
<b>Total</b>		<b>322.745</b>	<b>82.312</b>	<b>58.773</b>	<b>50.222</b>	<b>1.648</b>	<b>6.675</b>	<b>-</b>	<b>-</b>	<b>123.115</b>	<b>322.745</b>	<b>-</b>

- Notes:**
- The final amount of net proceeds from the Share Capital Increase amounted to €322.745 thousand. This amount is greater than the amount reported in the Offering Memorandum by €646 thousand, due to reduced share issue costs. The final share issue costs amounted to €6.655 thousand.
  - As at December 24, 2007, the Company completed the acquisition of nine investment properties, comprising retail and office spaces located in Athens, Larissa and Heraklion, from its parent company, for a total consideration of €51.630 thousand, which was partially funded from the proceeds of the Share Capital Increase. Furthermore, on December 24, 2007, the Company used €30.000 thousand of the proceeds from the Share Capital Increase to repay outstanding borrowings.
  - As at December 28, 2007, the Company entered into a preliminary agreement with third parties to acquire a commercial investment property located in Kiev, Ukraine, for a total purchase consideration of €5.503 thousand. In accordance with the agreement, the Company has paid an advance of €682 thousand.
  - As at January 8, 2008, the Company acquired 100% of the shares of "Kalamokis Tours & Cargo S.A.", owner of a property located in Schimatari municipality, prefecture of Viotia for a price of €5.350 thousand. The Company paid an amount of €3.917 thousand, which was the agreed price less liabilities and debt, the amount has been funded from the Share Capital Increase proceeds.
  - As at January 18, 2008, the Company acquired two retail properties located in Kifissias Avenue from "Pasal Development S.A.". The Company paid an amount of €16.272 thousand (including lawyers and notaries fees of €257 thousand), which was funded from the Share Capital Increase proceeds.
  - As at March 15, 2008, the Company signed the final agreement and paid an amount of €5.069 thousand (including lawyers and notary fees of €245 thousand), which was funded from the Share Capital Increase proceeds.
  - As at March 27, 2008, the Company paid a finance lease for the acquisition of property and paid an amount of €13.565 thousand and property related transfer expenses of €216 thousand, that all were funded from the Share Capital Increase proceeds.
  - As at April 15, 2008, the Company acquired a commercial property located in Trikala. The company paid an amount of €3.203 thousand (including lawyers and notaries fees of €53 thousand), which were funded from the Share Capital Increase proceeds.
  - As at May 7, 2008, the Company signed a preliminary agreement for the purchase of 100% of the shares of the company "Tavros Protypi Anaptixi S.A." from "Demand S.A.". According to the preliminary agreement, a down payment payment for the acquisition of "Tavros Protypi Anaptixi S.A." shares has been agreed at €10.000 thousand which were paid on July 1<sup>st</sup> 2008. The total acquisition price (including the down payment) has been agreed at €50.350 thousand on a liability and debt-free basis.
  - As at June 4, 2008, the Company acquired 99,99% of the shares of the Romanian Company "Retail Development S.A." owner of a property in Iasi, Romania, for a total consideration of €14.500 thousand. The Company paid an amount of €4.152 thousand, which was the agreed price less liabilities and debt, the amount has been funded from the Share Capital Increase proceeds.
  - As at August 8, 2007, the Company entered into a preliminary agreement for the acquisition of 99,99% of the share capital of a Romanian Company "Seferco Development S.A.", owner of an office property in Bucharest. As at July 31, 2008, the final agreement was signed and the Company paid an amount of €2.263 thousand (part of the total purchase consideration), which was funded from the Share Capital Increase proceeds.
  - Amount of €116 thousand relates to property acquisition costs (lawyers, notaries etc) that the Company acquired in 2007, was funded from the Share Capital Increase proceeds.
  - As at February 2, 2009, the Company signed a contract for the acquisition of an office use building in a central location of Athens from "ICAP GROUP S.A.". The property is located in the municipality of Athens, at 7 Papadiamantopoulou street and it consists 1.281,5 sq.m. of office spaces and 238,03 sq.m. auxiliary spaces. The acquisition price for the property was €4.000 thousand and the fair value as estimated by the Sworn-In Valuers of Greece (SOE) was €4.034 thousand approximately.
  - As at September 29, 2009, the Company completed the acquisition of three retail boxes leased to "Praktiker Hellas S.A.", affiliate of the German multinational Company "Praktiker AG". The acquisition price for the three properties was €46.647 thousand and was funded from the proceeds of the Company Share Capital Increase of December 2007 (including notaries and lawyers fees of €647 thousand).
  - As at December 29, 2009, the Company completed the acquisition of 100% of the share capital of the company "Tavros Protypi Anaptixi S.A.", owner of a property. Due to the company's net debt amounting to €27,4m, the price to be paid amounted to €9,6m. According to the relevant valuation performed by Sworn-In Valuers of Greece (SOE), the fair value of the investment property was €39,1m. Amount of €425 thousand was refunded to the Company upon completion of the agreement.
  - As at April 30, 2010, the Company completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company has acquired the ground floor along with its auxiliary spaces totaling 385 sq.m. and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1.214 thousand (including lawyers and notary fees of amount €14 thousand). The fair value of the property as evaluated by Sworn-In Valuers of Greece (SOE) was €1.300 thousand.
  - As at September 27, 2010, amount €250 thousand relating to outstanding issues was paid to the seller of the company "Reco Real Property AD." and according to the agreement, that amount was incorporated in the acquisition price respectively increasing the participation cost.
  - As at December 10, 2010, amount of € 184 thousand initially provided for in the initial price consideration for the acquisition of the subsidiary "Tavros Protypi Anaptixi S.A." on the basis of contingent liabilities was refunded to the seller.
  - As at May 13, 2011, the Company completed the acquisition of part of the properties located in 8 and 10 Othonos Street, Syntagma Square. Specifically, the Company acquired 1.314 sq.m. of offices spaces in the 2<sup>nd</sup> and 3<sup>rd</sup> floor and 451,5 sq.m. of auxiliary spaces in the abovementioned properties. The office spaces are leased by EFG Eurobank Ergasias and auxiliary spaces by Lamda Estate Development. The acquisition price was € 6.675 thousand (including notaries and lawyers fees of €102 thousand).
  - As at February 27, 2014, the Company completed Cloud's Hellas Ktimatiki S.A. share capital increase in the amount of €50.000 thousand through payment in cash. Subsidiary's share capital increase was funded from the proceeds of the Company Share Capital Increase of December 2007.
  - As at March 6, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €5.880 thousand (excluding acquisition costs of €124 thousand). The investment was partially financed for the amount of €5.983 thousand through Company's funds originated from its 2007 Share Capital Increase. The fair value of the property as evaluated by independent valuers was €7.770 thousand.
  - As at March 20, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €3.320 thousand (excluding acquisition costs of €160 thousand). The investment was partially financed for the amount of €3.462 thousand through Company's funds originated from its 2007 Share Capital Increase. The fair value of the property as evaluated by independent valuers was €10.770 thousand.
  - As at May 12, 2014, the Company completed the acquisition of a portfolio of 14 assets from the Hellenic Republic Asset Development Fund and the respective lease to the Hellenic Republic for 20 years and the relevant sale and lease deeds were signed. The acquisition price of the portfolio was €145.810 thousand (excluding acquisition costs of €412 thousand), which was financed for the amount of €58.670 thousand through Company's remaining funds originated from its 2007 Share Capital Increase.

Maroussi, January 28, 2015

THE CHAIRMAN OF THE BoD

THE CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

NIKOLAOS A. BERTSOS  
I.D. Number AH 023829

GEORGIOS CHRYSIKOS  
I.D. Number N 161578

PANAGIOTIS - ARISTEIDIS VARFIS  
I.D. Number E 163166

[Translation from the original text in Greek]

**Report of factual findings in connection with the 'Report on Usage of Funds'**

To the Board of Directors of Grivalia Properties REIC

We have performed the procedures prescribed and agreed with the Board of Directors of the Grivalia Properties REIC (the Company) and enumerated below with respect to the 'Report on the usage of funds of Grivalia Properties REIC' which relates to the share capital increase paid in cash, during 2007. The Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

- We examined the content of the Report and its consistency with the provisions of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
- We examined the content of the Report and its consistency with what is referred to in the Prospectus issued by the Company on 15/11/2007 for this purpose and the relevant Company's decisions and announcements.
- We have agreed the amount of the share capital increase mentioned in the report to: a) the amounts approved by the 03/09/2007 and 15/10/2007 decisions of the General Meetings of Shareholders (b) the amounts referred to in the relevant Prospectus (c) the amounts deposited in the relevant bank account maintained by the Company.
- We examined whether the amount certified by the Board of Directors on 13/12/2007 from the said Share Capital Increase, agrees to the amount recorded in the books and records of the Company, considering the relevant accounting entries.
- We examined whether the share issue costs mentioned in the Report agree to the amounts recorded in the Company's books and records, by examining on a sample basis supporting documents.
- We examined whether the amount of the share capital increase has been allocated in accordance with its intended use and schedule, based on the provisions of paragraph 1.5 of the Prospectus issued on 15/11/2007, by examining on a sample basis documents that support the relevant accounting entries.

We report our findings below:

- The content of the Report is consistent with the provisions of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
- The content of the Report is consistent with what is referred to in the Prospectus issued by the company on 15/11/2007 for this purpose and the relevant Company's decisions and announcements.
- The amount of the share capital increase mentioned in the report agrees to: a) the amounts approved by the 03/09/2007 and 15/10/2007 decisions of the General Meetings of Shareholders (b) the amounts referred to in the relevant Prospectus (c) the amounts deposited in the relevant bank account maintained by the Company.
- The amount certified by the Board of Directors on 13/12/2007 from the said Share Capital Increase, agrees to the amount recorded in the books and records of the Company, considering the relevant accounting entries.
- The share issue costs mentioned in the Report agree to the amounts recorded in the company's books and records, by examining on a sample basis supporting documents.
- The amount of the share capital increase has been allocated in accordance with its intended use and schedule, based on the provisions of paragraph 1.5 of the Prospectus issued on 15/11/2007, by examining on a sample basis documents that support the relevant accounting entries.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the year ended 31 December 2014, for which we have issued a separate audit report, dated 30 January 2015.

PricewaterhouseCoopers  
268 Kifissias Ave.  
15232 Athens, Greece.  
AM SOEL 113

Athens, 30 January 2015  
Dimitris Sourbis  
AM SOEL 16891

It is hereby notified, in accordance with decision as of 04.02.2014 of the Athens Stock Exchange, that from Company's Share Capital Increase through the payment in cash and by pre-emption right in favor of the existing shareholders, at a ratio of 0,66 new shares to one old share, which took place on the basis of the decision of Company's Extraordinary General Assembly on 08.11.2013, raised a net capital of €190.239 thousand (total amount of €193.248 thousand less issuing costs of €3.009 thousand). From the Share Capital Increase 40.260.000 new common registered voting shares have been issued at an issue price of €4,8 per share and of nominal value €2,13 per share, which were listed for trading on the Athens Stock Exchange on 06.02.2014. Company's Share Capital Increase was certified by the Board of Directors of the Company on 31.01.2014. Until **31.12.2014** the proceeds from the Share Capital Increase were distributed, in accordance with the Offering Memorandum, as follows:

**TIMESCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE**

(Amounts in € thousand)	SHARE CAPITAL INCREASE PROCEEDS 1 <sup>st</sup> Semester 2014	INVESTMENTS 2014	TOTAL INVESTED 31.12.2014	REMAINING BALANCE TO BE INVESTED
Investment in Real Estate Property to accommodate Public Services	190.239	87.552	87.552	102.648
Investment in Real Estate Property providing income used as Offices or other Professional or Industrial Purposes		39	39	
<b>Total</b>	<b>190.239</b>	<b>87.591</b>	<b>87.591</b>	<b>102.648</b>

**Notes:**

- As at March 6, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €5.880 thousand (excluding acquisition costs of €124 thousand). The investment was partially financed for the amount of €5.983 thousand through Company's funds originated from its 2007 Share Capital Increase and for the amount of €21 thousand through the funds originated from the Share Capital Increase of 2014. The fair value of the property as evaluated by independent valuers was €7.770 thousand.
- As at March 20, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €3.320 thousand (excluding acquisition costs of €160 thousand). The investment was partially financed for the amount of €8.462 thousand through Company's funds originated from its 2007 Share Capital Increase and for the amount of €18 thousand through the funds originated from the Share Capital Increase of 2014. The fair value of the property as evaluated by independent valuers was €10.770 thousand.
- As at May 12, 2014, the Company completed the acquisition of a portfolio of 14 assets from the Hellenic Republic Asset Development Fund and the respective lease to the Hellenic Republic for 20 years and the relevant sale and lease deeds were signed. The acquisition price of the portfolio was €145.810 thousand (excluding acquisition costs of €412 thousand), which was financed for the amount of €58.670 thousand through Company's remaining funds originated from its 2007 Share Capital Increase and for the amount of €87.552 thousand through the funds originated from the Share Capital Increase of 2014. It is noted that on December 06, 2013 the Company signed the head of terms of a five year bond loan for an amount of €60m. with HSBC Bank plc, London, which will finance part of the above mentioned investment.
- The remaining balance to be invested of €102.648 thousand has been temporarily invested in short term investment (time deposits) as reported in the Consolidated and Company Financial Statements for the year ended December 31, 2014.

Maroussi, January 28, 2015

THE CHAIRMAN OF THE BoD

THE CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

NIKOLAOS A. BERTSOS  
I.D. Number AH 023829

GEORGIOS CHRYSIKOS  
I.D. Number N 161578

PANAGIOTIS - ARISTEIDIS VARFIS  
I.D. Number Ξ 163166

[Translation from the original text in Greek]

**Report of factual findings in connection with the 'Report on Usage of Funds'**

To the Board of Directors of Grivalia Properties REIC

We have performed the procedures prescribed and agreed with the Board of Directors of the Grivalia Properties REIC (the Company) and enumerated below with respect to the 'Report on the usage of funds of Grivalia Properties REIC' which relates to the share capital increase paid in cash, during 2014. The Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

**Procedures:**

- We examined the content of the Report and its consistency with the provisions of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
- We examined the content of the Report and its consistency with what is referred to in the Prospectuses issued by the Company on 03/01/2014 and 16/01/2014 for this purpose and the relevant Company's decisions and announcements.
- We have agreed the amount of the share capital increase mentioned in the report to: a) the amount approved by the 08/11/2013 decision of the General Meeting of Shareholders (b) the amounts referred to in the relevant Prospectus (c) the amounts deposited in the relevant bank account maintained by the Company.
- We examined whether the amount certified by the Board of Directors on 31/01/2014 from the said Share Capital Increase, agrees to the amount recorded in the books and records of the Company, considering the relevant accounting entries.
- We examined whether the share issue costs mentioned in the Report agree to the amounts recorded in the Company's books and records, by examining on a sample basis supporting documents.
- We examined whether the amount of the share capital increase has been allocated in accordance with its intended use and schedule, based on the provisions of paragraph 4.3 of the Prospectus issued on 03/01/2014, by examining on a sample basis documents that support the relevant accounting entries.

We report our findings below:

- The content of the Report is consistent with the provisions of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
- The content of the Report is consistent with what is referred to in the Prospectuses issued by the company on 03/01/2014 and 16/01/2014 for this purpose and the relevant Company's decisions and announcements.
- The amount of the share capital increase mentioned in the report agrees to: a) the amount approved by the 08/11/2013 decision of the General Meeting of Shareholders (b) the amounts referred to in the relevant Prospectus (c) the amounts deposited in the relevant bank account maintained by the Company.
- The amount certified by the Board of Directors on 31/01/2014 from the said Share Capital Increase, agrees to the amount recorded in the books and records of the Company, considering the relevant accounting entries.
- The share issue costs mentioned in the Report agree to the amounts recorded in the Company's books and records, by examining on a sample basis supporting documents.
- The amount of the share capital increase has been allocated in accordance with its intended use and schedule, based on the provisions of paragraph 4.3 of the Prospectuses issued on 03/01/2014 and 16/01/2014, by examining on a sample basis documents that support the relevant accounting entries.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the year ended 31 December 2014, for which we have issued a separate audit report, dated 30 January 2015.

<u>Category</u>	<u>Title</u>	<u>Date of publication</u>
Corporate Announcements and Press Releases	Acquisition of 4 commercial real estate properties in Athens and Thessaloniki	2/1/2014
Corporate Announcements and Press Releases	Announcement for SCI with cash payment and exercise of pre-emption rights by existing shareholders	3/1/2014
Corporate Announcements and Press Releases	Investment public announcement	8/1/2014
Corporate Announcements and Press Releases	Investment public announcement pursuant to Law 3340/2005	10/1/2014
Transaction Disclosure and Other Announcements	Investment public announcement	15/1/2014
Corporate Announcements and Press Releases	Press release for transfer of preemption rights	23/1/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	23/1/2014
Corporate Announcements and Press Releases	Full coverage of SCI through payment in cash & by pre-emption right in favor of existing shareholders	31/1/2014
Corporate Announcements and Press Releases	Announcement of listing of shares from share capital increase	4/2/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	6/2/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	11/2/2014
Annual Financial Statements 2013	Investment Schedule 31.12.2013	14/2/2014
Annual Financial Statements 2013	Consolidated and Company Financial Statements for the year ended December 31 2013	17/2/2014
Corporate Announcements and Press Releases	Net operating profit of €2.7m for 2013 for Eurobank Properties	17/2/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	21/2/2014
Corporate Announcements and Press Releases	Changes in Management Structure	25/2/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	26/2/2014
Corporate Announcements and Press Releases	Announcement regarding the total number of voting rights & the amount of paid in Share Capital	28/2/2014
Corporate Announcements and Press Releases	Prepayment of subsidiary's bond loan	4/3/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	4/3/2014
Corporate Announcements and Press Releases	Acquisition of a warehouse in the traditional industrial area of Aspropyrgos, Attica	6/3/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	6/3/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	12/3/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	17/3/2014
Corporate Announcements and Press Releases	Repeal of State Court's of Auditors Decision	19/3/2014
Corporate Announcements and Press Releases	Acquisition of a 2nd warehouse in the traditional industrial area of Aspropyrgos, Attica	20/3/2014
Corporate Announcements and Press Releases	Invitation to the Ordinary General Shareholders' Meeting on 14.04.2014	20/3/2014
Corporate Announcements and Press Releases	Proposal for distribution of 0.18 euro per share dividend	21/3/2014
Corporate Announcements and Press Releases	Proxy form for the participation in the Ordinary General Meeting of Shareholders on 14.04.2014	21/3/2014
Corporate Announcements and Press Releases	Information Pack for the Ordinary General Meeting of the Shareholders on 14.04.2014	21/3/2014
Corporate Events Calendar	Corporate Events Calendar for the year 2014	21/3/2014
Corporate Announcements and Press Releases	Information Pack for the Ordinary General Meeting of the Shareholders on 14.04.2014	4/4/2014
Corporate Announcements and Press Releases	Information Pack for the Ordinary General Meeting of the Shareholders on 14.04.2014 (updated)	11/4/2014
Corporate Announcements and Press Releases	Resolutions of Eurobank Properties REIC's Annual Shareholders Meeting on 14.04.2014	14/4/2014
Corporate Announcements and Press Releases	Announcement of the Distribution of Dividend from past years	14/4/2014
Corporate Announcements and Press Releases	Announcement for Ex-dividend	17/4/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	22/4/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	2/5/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	9/5/2014

<u>Category</u>	<u>Title</u>	<u>Date of publication</u>
Corporate Announcements and Press Releases	The acquisition of a portfolio of 14 properties from HRADF has been completed	13/5/2014
First Quarter 2014	Condensed Consolidated & Company Interim Financial Statements for the period ended March 31, 2014	21/5/2014
First Quarter 2014	Summary Financial Data and Information 31.03.2014	21/5/2014
Corporate Announcements and Press Releases	Net operating profit of €15.4m recorded in the first quarter of 2014 for Eurobank Properties REIC	21/5/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	10/6/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	13/6/2014
Presentations	Company Presentation at the Road Show in New York 06.2014	10/6/2014
Offering Memoranda	Annual Report 2013	14/4/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	30/6/2014
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights (L.3556/2007)	30/6/2014
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights (L.3556/2007)	30/6/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	30/6/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information	7/7/2014
Half Year 2014	Investment Schedule 30.06.2014	31/7/2014
Financial Results	Investment Schedule 30.06.2014	31/7/2014
Corporate Announcements and Press Releases	Announcement of amendment to the Articles of Association	31/7/2014
Corporate Announcements and Press Releases	Invitation to the Extraordinary General Shareholders' Assembly on 28.08.2014	31/7/2014
Corporate Announcements and Press Releases	Proxy form for participation in the Extraordinary General Assembly on 28.08.2014	31/7/2014
Corporate Announcements and Press Releases	Property valuation report by Savills Ltd	31/7/2014
Corporate Announcements and Press Releases	Property valuation report by NAI Hellas	31/7/2014
Corporate Announcements and Press Releases	Information Pack for the Extraordinary General Shareholders' Assembly on 28.08.2014	31/7/2014
Corporate Announcements and Press Releases	Net operating profit of €24.4m. recorded in the first semester of 2014 for Eurobank Properties REIC	7/8/2014
Financial Results	Financial Report for the six month period ended 30.06.2014	7/8/2014
Half Year 2014	Financial Report for the six month period ended 30.06.2014	7/8/2014
Corporate Announcements and Press Releases	Updated Information Pack for the Extraordinary General Shareholders' Assembly on 28.08.2014	11/8/2014
Corporate Announcements and Press Releases	Resolutions of Eurobank Properties REIC's Extraordinary General Shareholders Meeting dated 28.8.2014	28/8/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	26/9/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	1/10/2014
Corporate Announcements and Press Releases	Change of Company name	1/10/2014
Corporate Announcements and Press Releases	Change of Company name in Athens Exchange	9/10/2014
Corporate Announcements and Press Releases	Change of Company's Ticker	21/10/2014
Third Quarter 2014	Condensed Consolidated & Company Interim Financial Statements for the period ended September 30, 2014	4/11/2014
Third Quarter 2014	Summary Financial Data and Information 30.09.2014	4/11/2014
Corporate Announcements and Press Releases	Net operating profit of €36 million for the nine month period of 2014 for Grivalia Properties	4/11/2014
Corporate Announcements and Press Releases	Approval of Interim Dividend for 2014 04.11.2014	4/11/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	10/11/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	11/11/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	13/11/2014

<u>Category</u>	<u>Title</u>	<u>Date of publication</u>
Corporate Announcements and Press Releases	Comment on press publications	24/11/2014
Presentations	Company Presentation at the Road Show in New York	2/12/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	8/12/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	10/12/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	11/12/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	15/12/2014
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	17/12/2014
Corporate Announcements and Press Releases	Press release relating to the investment in Aspropyrgos, Attica	17/12/2014
Corporate Announcements and Press Releases	Approval of Interim Dividend for 2014	18/12/2014
Financial Log	Updated Events Calendar for the year 2014	18/12/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	23/12/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	29/12/2014
Transaction Disclosure and Other Announcements	Acquisition of Treasury Shares	31/12/2014