Grivalia Properties REIC

CONDENSED CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2015

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.

Table of Contents page

(All amounts expressed in €'000s unless otherwise stated)

Consolidated and Company Balance Sheet

	Note	Group 31/03/2015	Group 31/12/2014	Company 31/03/2015	Company 31/12/2014
ASSETS					
Non-current assets					
Investment property	5	738.131	729.301	586.537	577.707
Property, plant and equipment		2.481	2.415	2.374	2.357
Intangible Assets and Goodwil		373	372	38	37
Investment in subsidiaries	6	-	-	105.324	100.742
Deferred tax asset		348	348	-	-
Other long term receivables	7	3.620	3.380	11.252	15.660
		744.953	**735.816**	**705.525**	**696.503**
Current assets					
Trade and other receivables	8	9.404	8.636	8.009	7.354
Cash and cash equivalents	9	154.959	185.448	141.480	173.701
		164.363	**194.084**	**149.489**	**181.055**
TOTAL ASSETS		**909.316**	**929.900**	**855.014**	**877.558**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	10	215.684	215.684	215.684	215.684
Share premium	10	571.234	571.234	571.234	571.234
Own shares	10	(5.731)	(5.199)	(5.731)	(5.199)
Share based payment reserve	10	1.409	865	1.409	865
Other reserves	10	12.604	12.641	11.903	11.903
Retained earnings	10	39.044	58.822	17.196	38.888
Total shareholders' equity		**834.244**	**854.047**	**811.695**	**833.375**
Non-current liabilities					
Borrowings, including finance leases	11	54.900	56.644	25.866	27.840
Tenant deposits		2.771	2.796	2.771	2.796
Other non-current liabilities		251	290	251	290
		57.922	**59.730**	**28.888**	**30.926**
Current liabilities					
Trade and other payables	12	5.800	6.349	5.090	5.701
Dividends payable		42	13	42	13
Current income tax liabilities		3.100	2.004	2.513	1.731
Borrowings, including finance leases	11	7.820	7.278	6.398	5.333
Tenant deposits		388	479	388	479
		17.150	**16.123**	**14.431**	**13.257**
Total liabilities		**75.072**	**75.853**	**43.319**	**44.183**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**909.316**	**929.900**	**855.014**	**877.558**

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

(All amounts expressed in €'000s unless otherwise stated)

Consolidated and Company Income Statement

		Group		Company	
	Note	**31/03/2015**	**31/03/2014**	**31/03/2015**	**31/03/2014**
Revenue					
Rental income		13.911	10.529	11.101	7.236
		13.911	**10.529**	**11.101**	**7.236**
Net gain/(loss) from fair value adjustments on investment property	5	270	4.178	270	4.178
Technical service fees		(7)	(94)	-	(42)
Other direct property relating expenses		(343)	(234)	(311)	(149)
Employee benefit expense- BoD		(1.236)	(627)	(1.220)	(614)
Depreciation of assets		(25)	(20)	(23)	(20)
Other income		10	7	10	7
Other expenses		(268)	(369)	(231)	(283)
Operating profit/ (loss)		**12.312**	**13.370**	**9.596**	**10.313**
Interest income		253	2.296	374	2.443
Finance costs		(488)	(538)	(246)	(260)
Negative goodwill arising from subsidiary's acquisition		-	1.253	-	-
Profit/ (loss) before tax		**12.077**	**16.381**	**9.724**	**12.496**
Taxes	13	(1.477)	(963)	(1.038)	(640)
Profit/ (loss) for the period		**10.600**	**15.418**	**8.686**	**11.856**
Earnings/ (losses) per share (expressed in € per share)					
- Basic and Diluted	**15**	**0,11**	**0,18**		

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

(All amounts expressed in €‘000s unless otherwise stated)

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	31/03/2015	**31/03/2014**	**31/03/2015**	**31/03/2014**
Profit/ (loss) for the period	**10.600**	**15.418**	**8.686**	**11.856**
Other comprehensive income/ (loss) after taxes:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	(37)	2	-	-
Total comprehensive income/ (loss)	(37)	2	-	-
Total comprehensive income/ (loss) after taxes for the period	**10.563**	**15.420**	**8.686**	**11.856**
Total comperhesive income/ (loss) attributable to:				
- Shareholders (Owners of the parent)	10.563	15.420	8.686	11.856
- Minority interest	-	-	-	-
Total comprehensive income/ (loss) after taxes for the period	**10.563**	**15.420**	**8.686**	**11.856**

The Condensed Consolidated and Company Interim Financial Statements for the period ended March 31, 2015 were approved by the Board of Directors on May 13, 2015 and are signed on its behalf by:

Nikolaos A. Bertsos	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		

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

(All amounts expressed in €'000s unless otherwise stated)

Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2014		**129.930**	**466.749**	**(6.735)**	**-**	**10.779**	**28.924**	**629.647**
Profit/ (loss) for the period		-	-	-	-	-	15.418	15.418
Foreign exchange differences		-	-	-	-	2	-	2
Total comprehensive income/ (loss) for the period		**-**	**-**	**-**	**-**	**2**	**15.418**	**15.420**
Share capital increase		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
Balance March 31, 2014		**215.684**	**571.234**	**(4.894)**	**-**	**10.781**	**44.353**	**837.158**
Balance January 01, 2015		**215.684**	**571.234**	**(5.199)**	**865**	**12.641**	**58.822**	**854.047**
Profit/ (loss) for the period		-	-	-	-	-	10.600	10.600
Foreign exchange differences		-	-	-	-	(37)	-	(37)
Total comprehensive income/ (loss) for the period		**-**	**-**	**-**	**-**	**(37)**	**10.600**	**10.563**
Acquisition of own shares	**10**	-	-	(532)	-	-	-	(532)
Equity settled share based payments	**10**	-	-	-	544	-	-	544
Dividend relating to 2014 approved by the shareholders	**14**	-	-	-	-	-	(30.378)	(30.378)
Balance March 31, 2015		**215.684**	**571.234**	**(5.731)**	**1.409**	**12.604**	**39.044**	**834.244**

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

(All amounts expressed in €'000s unless otherwise stated)

Company Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2014		**129.930**	**466.749**	**(6.735)**	**-**	**10.021**	**21.453**	**621.418**
Profit/ (loss) for the period		-	-	-	-	-	11.856	11.856
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-	-
Total comprehensive income/ (loss) for the period		**-**	**-**	**-**	**-**	**-**	**11.856**	**11.856**
Share capital increase		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
Balance March 31, 2014		**215.684**	**571.234**	**(4.894)**	**-**	**10.021**	**33.320**	**825.365**
Balance January 01, 2015		**215.684**	**571.234**	**(5.199)**	**865**	**11.903**	**38.888**	**833.375**
Profit/ (loss) for the period		-	-	-	-	-	8.686	8.686
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-	-
Total comprehensive income/ (loss) for the period		**-**	**-**	**-**	**-**	**-**	**8.686**	**8.686**
Acquisition of own shares	**10**	-	-	(532)	-	-	-	(532)
Equity settled share based payments	**10**	-	-	-	544	-	-	544
Dividend relating to 2014 approved by the shareholders	**14**	-	-	-	-	-	(30.378)	(30.378)
Balance March 31, 2015		**215.684**	**571.234**	**(5.731)**	**1.409**	**11.903**	**17.196**	**811.695**

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

(All amounts expressed in €'000s unless otherwise stated)

Consolidated and Company Cash Flow Statement

	Note	Group		Company	
		01/01 - 31/03/2015	01/01 - 31/03/2014	01/01 - 31/03/2015	01/01 - 31/03/2014
Cash flows from operating activities					
Profit/ (loss) for the period		**10.600**	**15.418**	**8.686**	**11.856**
Other (gains)/ losses		(4)	(7)	(4)	(7)
Negative goodwill arising from subsidiary's acquisition		-	(1.253)	-	-
Provisions		854	(827)	943	(886)
Interest income		(253)	(2.296)	(374)	(2.443)
Finance costs		488	538	246	260
Taxes	13	1.477	963	1.038	640
(Increase)/decrease of fair value of investment property	5	(270)	(4.178)	(270)	(4.178)
Depreciation of assets		25	20	23	20
Changes in working capital:					
Decrease/ (increase) in receivables		2.437	(1.250)	2.255	(459)
Increase / (decrease) in payables		(4.170)	822	(4.021)	328
Cash generated from operating activities		11.184	7.950	8.522	5.131
Interest paid		(497)	(532)	(253)	(263)
Taxes paid		(1.002)	(712)	(534)	(489)
Net cash generated from operating activities		**9.685**	**6.706**	**7.735**	**4.379**
Cash flows from investing activities					
Subsidiary's share capital increase		-	-	-	(50.000)
Purchases of investment property	5	(8.358)	(14.362)	(8.358)	(14.362)
Purchases of property, plant and equipment		(26)	(1)	(17)	(1)
Repayments of loans due from local subsidiaries		-	(55.983)	-	-
Interest received		254	2.577	216	2.727
Net cash used in investing activities		**(8.130)**	**(67.769)**	**(8.159)**	**(61.636)**
Cash flows from financing activities					
Proceeds from share capital increase (incl. share capital issue costs)		-	190.239	-	190.239
Proceeds from sale of pre-emption rights of own shares		-	1.841	-	1.841
Acquisition of own shares	10	(523)	-	(523)	-
Repayments of loans		(499)	(632)	(215)	(212)
Repayments of finance leases		(681)	(646)	(681)	(646)
Dividends paid	14	(30.378)	-	(30.378)	-
Net cash used in financing activities		**(32.081)**	**190.802**	**(31.797)**	**191.222**
Net increase/ (decrease) in cash and cash equivalents for the period		**(30.526)**	**129.739**	**(32.221)**	**133.965**
Cash and cash equivalents at the beginning of the period	9	185.448	190.695	173.701	176.945
Exchange gains / (losses) on cash and cash equivalents		37	(2)	-	-
Cash and cash equivalents at the end of the period	13	**154.959**	**320.432**	**141.480**	**310.910**

The notes on pages 9 to 25 form an integral part of the Condensed Consolidated and Company Interim Financial Statements.

Notes to Consolidated and Company Financial Statements

1 General information

The present financial statements include the financial statements of Grivalia Properties Real Estate Investment Company (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together the "Group") for the period ended March 31, 2015.

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 the 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.

The total number of employees of the Company and the Group as at March 31, 2015 was 27 and 30 respectively (31.03.2014: 18 and 21 respectively).

These Condensed Consolidated and Company Interim Financial Statements (the "Financial Statements") have been approved for issue by the Board of Directors on May 13, 2015.

2 Summary of significant accounting policies

These Condensed Consolidated and Company Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Group's annual financial statements as at December 31, 2014.

Comparatives

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

3 Accounting Policies

The accounting policies adopted in the preparation of the Condensed Consolidated and Company Interim Financial Statements for the three month period ended March 31, 2015 are consistent with those followed in the preparation of Group's annual financial statements for the year ended December 31, 2014.

Rental Income is not subject to seasonality.

Amendments to standards and new interpretations adopted by the Group

The following amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2015:

Annual Improvements to IFRSs 2011-2013 Cycle The amendments introduce key changes to three IFRSs, following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project, as follows:

- Clarify that IFRS 3 'Business Combinations' does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- Clarify that the exception in IFRS 13 'Fair Value Measurement' for measuring the fair value of a group of financial assets and financial liabilities on a net basis applies to all contracts within the scope of, and accounted

Notes to Consolidated and Company Financial Statements

for in accordance with, IAS 39 ‘Financial Instruments: Recognition and Measurement’ or IFRS 9 ‘Financial Instruments’, regardless of whether they meet the definitions of financial assets or financial liabilities under IAS 32 ‘Financial Instruments: Presentation’;

- Address the interrelationship between IFRS 3 ‘Business Combinations’ and IAS 40 ‘Investment Property', clarifying in the latter that an entity should assess whether: (a) the acquired property is investment property under IAS 40 and (b) the acquisition of investment property constitutes a business combination as defined in IFRS 3.

The adoption of the amendments had no impact on the Group’s condensed consolidated interim financial statements.

IFRIC 21, Levies

IFRIC 21 Levies clarifies that an entity recognizes a liability for a levy that is not income tax when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, for example a specified level of revenue, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

The adoption of the interpretation had no impact on the Group’s condensed consolidated interim financial statements.

(All amounts expressed in €‘000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

4 Segment analysis

A) Group’s Operating segments

For the period ended March 31, 2015:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.786	1.049	3.193	2.719	1.180	13.927
Income/ (expense) from service charges	(13)	-	5	(8)	-	(16)
Total	**5.773**	**1.049**	**3.198**	**2.711**	**1.180**	**13.911**
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	-	-	270	-	-	270
Other direct property relating expenses	(149)	(29)	(56)	(76)	(33)	(343)
Technical service fees	(3)	-	(2)	(2)	-	(7)
Finance costs	(457)	(8)	-	(23)	-	(488)
Profit/ (loss) relating to investment property	**5.164**	**1.012**	**3.410**	**2.610**	**1.147**	**13.343**

Reconciliation of net profit/ (loss) for the period:	
Profit/ (loss) relating to investment property	13.343
Interest income	253
Other expenses	(1.529)
Other income	10
Taxes	(1.477)

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

For the period ended March 31, 2014:

	Offices	Logistics	Retail	Mixed use	Total
REVENUE					
Rental revenue	2.706	764	4.473	2.578	10.521
Income/ (expense) from service charges	11	-	5	(8)	8
Total	**2.717**	**764**	**4.478**	**2.570**	**10.529**
RESULTS					
Net gain/ (loss) from fair value adjustments on investment property	-	4.178	-	-	4.178
Other direct property relating expenses	(73)	(16)	(85)	(60)	(234)
Technical service fees	(45)	(4)	(23)	(22)	(94)
Finance costs	(504)	(8)	-	(26)	(538)
Profit/ (loss) relating to investment property	**2.095**	**4.914**	**4.370**	**2.462**	**13.841**

Reconciliation of net profit/ (loss) for the period:	
Profit/ (loss) relating to investment property	13.841
Interest income	2.296
Other expenses	(1.016)
Other income	7
Negative goodwill arising from subsidiary's acquisition	1.253
Taxes	(963)
Net profit/ (loss) for the period	**15.418**

B) Group's Geographical segments

For the period ended March 31, 2015:

	Revenue	Non-current assets
Greece	12.489	656.577
Romania	1.218	74.443
Serbia	204	13.585
	13.911	**744.605**

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

For the period ended March 31, 2014:

	Revenue	Non-current assets
Greece	8.848	647.572
Romania	1.467	74.375
Serbia	214	13.521
	10.529	**735.468**

5 Investment Property

	Group	
	31/03/2015	**31/12/2014**
Balance at the beginning of the period	**729.301**	**564.194**
Additions:		
Acquisition of investment property	8.560	160.707
Subsequent capital expenditure on investment property	-	215
Transfer from investment property to property, plant and equipment (own use)	-	(687)
Net gain/(loss) from fair value adjustments on investment property	270	4.872
Balance at the end of the period	**738.131**	**729.301**

	Company	
	31/03/2015	**31/12/2014**
Balance at the beginning of the period	**577.707**	**413.739**
Additions:		
Acquisition of investment property	8.560	160.707
Subsequent capital expenditure on investment property	-	215
Transfer from investment property to property, plant and equipment (own use)	-	(687)
Net gain/(loss) from fair value adjustments on investment property	270	3.733
Balance at the end of the period	**586.537**	**577.707**

On March 19, 2015 the Company, following the permission granted from the Annual General Shareholders Meeting held on March 17, 2015, completed the transaction relating to the acquisition of a property from Praktiker Hellas SA ("Praktiker") located in Heracleion, Crete and its immediate long term lease back to Praktiker. The acquisition price was €8.500 (excluding legal expenses of €60). The fair value of the property as evaluated by independent valuators at the acquisition date was €8.830. It is noted that the acquisition was financed through the existing funds of the Company which originated from its 2014 Share Capital Increase.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

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	31.03.2015	31.12.2014
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		
Fair value at the beginning	**248.662**	**56.028**	**142.358**	**147.598**	**47.403**	**11.140**	**62.630**	**12.302**	**1.180**	**729.301**	564.194
Additions:											
-Acquisition of investment property			8.560							**8.560**	160.707
-Subsequent capital expenditure on investment property										-	215
Transfer from investment property to property, plant and equipment (own use)										-	(687)
Net gain/(loss) from fair value adjustments on investment property			270							**270**	4.872
Fair value at the end	**248.662**	**56.028**	**151.188**	**147.598**	**47.403**	**11.140**	**62.630**	**12.302**	**1.180**	**738.131**	729.301

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 or income method	1.741	9% -13,27%
Greece	Logistics	52.990	80% discounted cash flows (DCF) & 20% sales comparison	347	11% -12%
Greece	Retail	151.188	80% discounted cash flows (DCF) & 20% sales comparison	1.005	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%
	Total	**738.131**			

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

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.

The net carrying amount of investment property held under finance leases as at 31.03.2015 amounts to €18,618 (31.12.2014: €18,721).

In accordance with existing Greek REIC legislation, property valuations are mandatory performed twice per year on June 30 and December 31 by independent valuators. Valuations are based on two methods according to valuation 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 the14 assets leased to the Hellenic Republic.

Investment properties have been pledged for finance leases and bank borrowings in the event of a default (please refer to note 11).

6 Investment in Subsidiaries

	Country of incorporation	Percentage of interest	31/03/2015	31/12/2014	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2009-2014
Eliade Tower S.A.	Romania	99,99%	12.037	7.455	2010-2014
Retail Development S.A.	Romania	99,99%	4.561	4.561	2010-2014
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2010-2014
Cloud Hellas Ktimatiki S.A.	Greece	100%	50.000	50.000	2010, 2014
			105.324	**100.742**	

During the current period, "Investment in Subsidiaries" increased by €4,582, as analyzed in note 7.

7 Other long term receivables

"Other long term receivables" for the period ended March 31, 2015, includes a shareholders loan of €8,070 (31.12.2014: €8,070) receivable from the foreign subsidiary Retail Development S.A.. Additionally, it includes accrued rental receivable of €3,182 (31.12.2014: €3,075).

As at December 31, 2014 "Other long term receivables" included a shareholders loan of €4,515 receivable from the foreign subsidiary Eliade Tower S.A.. On February 20, 2015, the subsidiary proceeded to a share capital increase through the capitalization of the shareholder loan received by the Company amounting to € 4.515 increased by interest due as at December 31, 2015, amounting to €67.

Group's "Other long term receivables" for the period ended March 31, 2015, includes accrued rental receivable of €3.620 (31.12.2014: €3.380).

8 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group 31/03/2015	Group 31/12/2014	Company 31/03/2015	Company 31/12/2014
Trade receivables		5.569	3.098	5.537	3.037
Receivables from related parties	**18**	256	197	300	202
Other receivables		3.579	5.341	2.172	4.115
Trade and other receivables		**9.404**	**8.636**	**8.009**	**7.354**

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

Trade receivables of the Company and the Group as at March 31, 2015, increased mainly due to the delayed rental payment from the Greek Public Sector.

Trade receivables of the Company as at March 31, 2015, include provisions for bad debts amounting to €1,601 recorded in the previous periods (31.12.2014: €1,601).

Trade receivables of the Group as at March 31, 2015, include provisions for bad debts amounting to €2,136 recorded in the previous periods (31.12.2014: €2,136).

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/03/2015	**31/12/2014**	**31/03/2015**	**31/12/2014**
Trade receivables				
Due within due date	3.678	2.349	3.646	2.288
Past due but not impaired:				
- 4 to 6 months	1.891	749	1.891	749
- 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)
	5.569	**3.098**	**5.537**	**3.037**

9 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/03/2015	**31/12/2014**	**31/03/2015**	**31/12/2014**
Cash in hand	2	2	-	-
Cash at bank and short-term deposits	154.957	185.446	141.480	173.701
Cash and cash equivalents	**154.959**	**185.448**	**141.480**	**173.701**

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.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

10 Shareholders' Equity

Group's shareholder equity is analysed as follows:

	Number of shares (thousands)	Share capital	Share premium	Own shares	Share based payment resrve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2014	**59.850**	**129.930**	**466.749**	**(6.735)**	-	**10.779**	**28.924**	**629.647**
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
Profit/ (loss) for the period	-	-	-	-	-	-	15.418	15.418
Foreign exchange differences	-	-	-	-	-	2	-	2
Balance March 31, 2014	**100.110**	**215.684**	**571.234**	**(4.894)**	-	**10.781**	**44.353**	**837.158**
Balance January 01, 2015	**100.069**	**215.684**	**571.234**	**(5.199)**	**865**	**12.641**	**58.822**	**854.047**
Acquisition of own shares	(70)	-	-	(532)	-	-	-	(532)
Profit/ (loss) for the period	-	-	-	-	-	-	10.600	10.600
Foreign exchange differences	-	-	-	-	-	(37)	-	(37)
Equity settled share based payments	-	-	-	-	544	-	-	544
Dividend relating to 2014 approved by the shareholders	-	-	-	-	-	-	(30.378)	(30.378)
Balance March 31, 2015	**99.999**	**215.684**	**571.234**	**(5.731)**	**1.409**	**12.604**	**39.044**	**834.244**

The total authorised number of ordinary shares as at March 31, 2015, is 101,260,000 (December 31, 2014 – 101,260,000) 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 the Athens Stock Exchange. Company's shares are ordinary shares with voting rights.

Company's shareholder structure with stakes over 5% as at March 31, 2015, is as follows:

- Fairfax Financial Holdings Limited 41.50%
- Eurobank Ergasias S.A. 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 during the current period purchased 70,492 own shares of a total cost of €532 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 March 31, 2015 the Company owned 1,261,478 own shares of a total cost of €7,572 with an average price of (amount in €) €6 per share. As at March 31, 2014 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.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

Share based payment reserve

Share based payment reserve includes an amount of €1.205 relating to equity settled share based payments to key management, of which €340 was recognized as an expense in the account "Employee benefit expense- BoD" in the current period. The cost of these benefits is determined based on the fair value of these rights at the granting date and are recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

Additionally, this reserve includes an amount of €204 relating to additional benefits granted to key management of the Company in 2014, whose payment is deferred for three years.

Other reserves

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

11 Borrowings including obligations under finance leases

All borrowings are at variable interest rates. The Group takes an 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 fluctuations.

	Group		Company	
	31/03/2015	**31/12/2014**	**31/03/2015**	**31/12/2014**
Non-current				
Bank borrowings	48.431	48.429	19.397	19.625
Finance lease liabilities	6.469	8.215	6.469	8.215
Non-current borrowings, including finance leases	**54.900**	**56.644**	**25.866**	**27.840**
Current				
Bank borrowings	4.019	4.534	2.597	2.590
Finance lease liabilities	3.801	2.744	3.801	2.743
Current borrowings, including finance leases	**7.820**	**7.278**	**6.398**	**5.333**
Total borrowings, including finance leases	**62.720**	**63.922**	**32.264**	**33.173**

The maturity of loans is as follows:

	Group		Company	
	31/03/2015	**31/12/2014**	**31/03/2015**	**31/12/2014**
Up to 1 year	7.820	7.278	6.398	5.333
From 1 to 5 years	38.815	39.969	9.781	11.165
Over 5 years	16.085	16.675	16.085	16.675
	62.720	**63.922**	**32.264**	**33.173**

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

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

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

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).

Bank borrowings and leases are secured by investment property as per below:

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.

12 Trade and other payables

The analysis of trade and other payables is as follows:

		Group		Company	
	Note	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Trade payables		878	771	572	488
Other payables and accruals		4.813	5.272	4.409	4.941
Amounts due to related parties	18	109	306	109	272
Trade and other payables		**5.800**	**6.349**	**5.090**	**5.701**

13 Taxes

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Current income tax	439	342	239	240
Other taxes relating to investment property	1.038	621	799	400
Taxes	**1.477**	**963**	**1.038**	**640**

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 period ended March 31, 2015 amounts to €1.477 and €1.038 respectively.

Company's taxes, for the period ended March 31, 2015, include a provision of current tax amounting to €239 and a provision from the imposition of property tax according to Law N. 4223/2013 amounting to €792. For the period ended March 31, 2014, Company's taxes included a provision for current tax of €240, and a provision from the imposition of property tax according to Law N. 4223/2013 amounting to €400.

The subsidiary Cloud Hellas Ktimatiki S.A. which is incorporated in Greece is taxed under REICs' tax regime. The subsidiary's taxes, for the period ended March 31, 2015, include a provision of current income tax amounting to €19 (31.03.2014:€0) and a provision from the imposition of property tax according to Law N. 4223/2013 amounting to €125 (31.03.2014:€100) .

(All amounts expressed in €‘000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

Company’s foreign subsidiaries are taxed on their taxable income based on tax rates of 16% in Romania and 10% in Serbia, applicable to each respective tax jurisdiction. For the period ended March 31, 2015 for the subsidiaries located in Romania the income tax amounted to €167, whereas for the subsidiary located in Serbia no significant income tax expense was incurred.

14 Dividends per share

On March 17, 2015, Company’s Shareholders Meeting approved the distribution of dividend from profits of the year 2014 amounting to €30,378 ([amount in €] €0.30 per share) including the interim dividend paid on January 13, 2015 amounting to €10,007 ([amount in €] €0.10 per share).

The payment of dividend commenced on March 26, 2015, through the paying Bank, Eurobank Ergasias S.A..

15 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 period.

	Group	
	31/03/2015	**31/03/2014**
Profit/ (loss) attributable to shareholders of the Company	10.600	15.418
Weighted average number of ordinary shares in issue (thousands)	100.017	83.558
Basic earnings/ (losses) per share (€ per share)	**0,11**	**0,18**

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

16 Contingent Liabilities

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 while it is expected to receive a tax certificate for the year 2014.

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 up to December 31, 2004. Company's management, based on the opinion of its legal advisors, believes that there is a serious dispute basis and has made appeal for the cancellation for additional income tax and fines up to the amount of €1,191. The hearing of the case took place on April 01st , 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 are expected to arise.

17 Capital expenditures

On March 31, 2015 Group’s capital expenditure relating to improvements on investment property amounted to €565.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

18 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 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 Company's Share Capital is 33.95%.

On June 25, 2014 Eurobank Ergasias S.A. sold through the Athens Stock Exchange to institutional investors 13,636,848 of common shares with voting rights, which correspond to approximately 13.5% of Company's 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 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 Bank's General Assemblies have been switched to restricted ones. Accordingly, as of early May 2014, 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 Greek Banks' recapitalization, are not regarded as such.

According to the shareholders agreement executed on October 17, 2014, between Fairfax Financial Holdings Limited and Eurobank Ergasias S.A. they undertook the responsibility to jointly control the Company. Furthermore Fairfax Financial Holdings Limited participates in the Company's Share Capital by 41.50% and owns 100% of the share capital of Praktiker Hellas S.A.. Therefore an indirect relationship of the Company with Praktiker derives as a related party.

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

	Group		Company	
	31/03/2015	**31/03/2014**	**31/03/2015**	**31/03/2014**
Rental income				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	7	-
Parent (Bank Eurobank Ergasias S.A.)	2.850	2.654	2.850	2.654
Other related parties	3.787	1.805	1.509	753
	6.637	**4.459**	**4.366**	**3.407**

Group's rental revenues from leases with Eurobank Ergasias S.A. amount to 20% for the period ended (31.03.2014: 25%).

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

b) Purchase of services

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.)	-	94	-	42
Subsidiary of parent company (Eurobank Property Services S.A.[Romania])	5	-	-	-
Subsidiary of parent company (ERB Property Services d.o.o. Beograd)	2	-	-	-
	7	**94**	-	**42**

c) Insurance expenses for investment properties

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	105	81	93	69
Subsidiary of parent company (Eurolife ERB Asigurari Generale S.A.)	7	10	-	-
	112	**91**	**93**	**69**

d) Insurance expenses for personnel

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Other employee benefits				
Subsidiary of parent company (Eurolife ERB Life Insurance S.A.)	19	15	19	15
	19	**15**	**19**	**15**

e) Finance costs

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Bank borrowings				
Parent (Bank Eurobank Ergasias S.A.)	102	85	31	9
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	149	174	1	-
Subsidiary of parent company (Eurobank A.D. Beograd)	8	10	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1	2	-	-
Subsidiary of parent company (New Europe Funding B.V.)	15	17	-	-
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	48	66	48	66
	323	**354**	**80**	**75**

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

f) Interest income earned on cash and cash equivalents

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Subsidiary (Eliade Tower S.A.)	-	-	38	65
Subsidiary (Retail Development S.A)	-	-	121	121
Parent (Bank Eurobank Ergasias S.A.)	16	1.769	4	1.769
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	201	43	201	43
Subsidiary of parent company (Eurobank A.D. Beograd)	9	7	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1	4	-	-
	227	**1.823**	**364**	**1.998**

g) Capital transfer (borrowings- finance leases)

	Group		Company	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Net cash transfers in/ (out) under financing arrangements				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	(290)	(420)	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	(619)	(584)	(619)	(584)
	(909)	**(1.004)**	**(619)**	**(584)**

h) Key management compensation – Group and Company

	31/03/2015	31/03/2014
Key management compensation	931	221
Equity settled share based payments	340	-
	1.271	**221**

As at March 31, 2015 interest bearing loans advanced to key management were €239.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Consolidated and Company Financial Statements

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

	Group		Company	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Other long term receivables				
Subsidiary (Eliade Tower S.A.)	-	-	-	4.515
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	1.285	1.315	1.285	1.315
Other related parties	124	126	80	82
	1.409	**1.441**	**9.435**	**13.982**
Trade and other receivables from ralated parties				
Subsidiary (Eliade Tower S.A.)	-	-	38	67
Subsidiary (Retail Development S.A.)	-	-	245	124
Parent (Bank Eurobank Ergasias S.A.)	(15)	(15)	(15)	(15)
Other related parties	271	212	32	26
	256	**197**	**300**	**202**
Trade payables to related parties				
Parent (Bank Eurobank Ergasias S.A.)	59	45	59	45
Other related parties	50	261	50	227
	109	**306**	**109**	**272**
Long-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	1.723	1.723	1.723	1.723
Other related parties	361	361	361	361
	2.084	**2.084**	**2.084**	**2.084**
Other non-current liabilities				
Parent (Bank Eurobank Ergasias S.A.)	251	279	251	279
Other related parties	-	11	-	11
	251	**290**	**251**	**290**
Short-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	18	18	18	18
Other related parties	-	44	-	44
	18	**62**	**18**	**62**
Long-term borrowings,including finance leases				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	26.224	25.994	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	6.469	7.120	6.469	7.120
Subsidiary of parent company (Eurobank A.D. Beograd)	300	300	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.510	2.510	-	-
	35.503	**35.924**	**6.469**	**7.120**
Short-term borrowings, including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	1.708	1.716	1.708	1.716
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.249	1.780	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	2.517	2.493	2.517	2.493
Subsidiary of parent company (Eurobank A.D. Beograd)	103	103	-	-
Subsidiary of parent company (New Europe Funding B.V.)	70	70	-	-
	5.647	**6.162**	**4.225**	**4.209**
Cash and cash equivalents				
Parent (Bank Eurobank Ergasias S.A.)	1.667	141.827	1.393	136.753
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	102.276	1	96.031	1
Subsidiary of parent company (Eurobank A.D. Beograd)	2.919	2.879	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1.086	1.008	1	1
	107.948	**145.715**	**97.425**	**136.755**

Notes to Consolidated and Company Financial Statements

j) Commitments and contingent liabilities

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

19 Events after the balance sheet date

No significant events have taken place after March 31, 2015, that affect the financial position of the Group or the Company that need to be mentioned according to the International Financial Reporting Standards.