

Marousi, 03 August 2012

Press Release

The sharp decrease in property prices led to losses for Eurobank Properties in the first half of 2012. Trading discount at 64% of NAV.

The significant decrease in the fair value of the Company's property portfolio during the first half of 2012 by €46.1m compared to €11.8m in the previous period, led to losses of €27.1m compared to profits of €8.2m.

This significant decrease in property value is due to the impact of the escalating macroeconomic problems in the market in general and in particular the real estate market by pushing both prices and rents downwards.

Excluding fair value losses, net profit after tax amounted to €19m. compared to €20m. of the previous period.

A summary of the Company's operational results compared to the previous period are as follows:

1. Rental income net of provisions for bad debt decreased by 9% from €1.8m to €1.8m.
2. Interest income increased by 19% from €3.7m. to €4.4m. as a result of higher interest rates and successful cash management.
3. Operating expenses decreased by 11% from €1.8m. to €1.6m. as a result of management successful efforts to reduce costs, for the fourth consecutive year.
4. Interest expense decreased by 14% from €2.1m. to €1.8m. as a result of lower outstanding loans and the decrease in Euribor rates.
5. Taxes increased by 13% from €1.5m. to €1.7m mainly due to the recognition of extraordinary tax on property.

The basic ratios of the Company are formulated as following:

- Current ratio: 7.5x vs. 11.8x
- Debt to total Assets: stable at 13%
- Loans to Value (LTV): 15% vs. 14%
- Funds from Operations (FFOs): €19m. vs. €20.1m.

As at June 30, 2012 cash and short term deposit amounted €46m vs. €44m as at June 30, 2011 while outstanding loans amounted to €5.6m vs. €7.9m for the respective periods.

NAV as at June 30, 2012 decreased to €30m or €0.32 per share compared to €1.24 as at June 30, 2011. The decrease is mainly due to the decrease in the fair value of investment property. Based on current share price the Company is trading at approximately 64% discount of its NAV.