

**REPORT OF THE BOARD OF DIRECTORS OF EUROBANK PROPERTIES
REAL ESTATE INVESTMENT COMPANY S.A. PURSUANT TO ARTICLE 9 OF L.
3016/2002 AND ARTICLE 289 OF THE ATHENS EXCHANGE REGULATION
TO THE EXTRAORDINARY GENERAL MEETING OF SEPTEMBER 3rd, 2007**

The Board of Directors of EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY S.A. (the "**Company**") during its meeting held on 06/08/2007 decided to propose to the Company's Extraordinary General Meeting a share capital increase through payment in cash of approximately €350 million and the issuance of new common registered shares of a nominal value of €2.13 each (the "**New Shares**") and the granting of pre-emption rights to existing shareholders.

In the context of this proposal, the Board of Directors prepares the present report, pursuant to article 9 of L. 3016/2002 and article 289 of the Athens Exchange ("**ATHEX**") Regulation, and informs the Company's shareholders on the following issues:

1 Report on the use of proceeds of the Company's previous share capital increase

Pursuant to article 275 of the ATHEX Regulation and no 33/24-11-05 decision of the ATHEX BoD, the Company has submitted to the ATHEX an updated Table on the Use of Proceeds dated 26 July 2007, regarding the use (as at 30 June 2007, inclusive) of the proceeds of the share capital increase decided by the Company's Extraordinary General Meeting on 07/02/2006.

Up until the first quarter of 2007 the Company made numerous investments. More specifically, on 19 June 2006, it acquired an offices complex of 12,083 square meters in Moshato for a consideration of €10,263 thousand. On 7 July 2006, the Company acquired three buildings in Nea Ionia, Attica, of 15,427.86 square meters, to be used as offices, retail stores, conference center and parking spaces for a consideration of €27,698 thousand. Lastly, on 14 December 2006, the Company acquired a property in Vrilisia, Attica, of 393.35 square meters, for a consideration of €2,206 thousand. The total consideration for the aforementioned acquisitions has already been paid by the Company.

During the second quarter of 2007, as may also be referred from the Table on the Use of Proceeds, the Company acquired a former industrial premises complex (former ANATOLIA factory) in order to use it as offices, located in Nea Ionia, at the conjunction of Vizantiou and

Kachramanoglou Ave., for a consideration of €24,377 thousand. As of today the Company has paid €10,377 thousand, broken down to an advance of €10,000 thousand and €377 as acquisition costs (such as notary expenses, legal counsel etc). The remaining of the purchase price, i.e. €14,000 thousand, will be paid in instalments until and including November 2007, upon completion of the works carried out by the sellers for the change of use and the development of the premises in order to be used as offices. Following the payment of the deposit (€10.377 thousand) €28.374 thousand remained available (see Table on the Use of Proceeds for the first and second quarter of 2007).

Following the aforementioned six month period, the Company made more investments as described below.

More specifically, on 23 July 2007 the Company acquired two stores in Kipseli, Attica, covering a total area of 791.18 square meters, for a consideration of €4,325 thousand, which has been fully paid from the proceeds of the Company's initial public offering in the ATHEX.

On July 26th, 2007, the Company entered into an agreement for the purchase of 100% of the share capital of the Serbian société anonyme RECO REAL PROPERTY AD, which owns a mixed-use retail-office building in the centre of Belgrade. The agreed maximum total purchase price amounts to €22,630 thousand, which, however, may be reduced by the amount of any liabilities RECO REAL PROPERTY AD may have at the time of payment. €15,000 thousand of the purchase price will be paid upon transfer of the shares in RECO REAL PROPERTY AD to the Company and the remaining amount (reduced as abovementioned) will be paid upon completion of the works and delivery of the premises to the lessees.

With regard to some of the aforementioned investments, the purchase price (or part thereof) has been credited and will be paid at a later stage. The total credited purchase price amounts to a maximum of €36,630 thousand, broken down to €14,000 thousand, being the remaining purchase price for the acquisition of the "Anatolia" property, and up to €22,630 thousand (potentially reduced as mentioned above) for the investment in RECO REAL PROPERTY AD. Of the total credited purchase price €24,049 will be used from the proceeds of the Company's initial public offering in the ATHEX and the remaining €12,581 thousand (or less, following reduction as mentioned above) from the Company's existing available funds.

The total purchase price of the aforementioned investments (plus the remaining of the investment in "Anatolia"), when fully paid, will have exhausted all the proceeds of the

Company's aforementioned share capital increase that took place in the context of its initial public offering on the ATHEX.

2 Investment Plan

The Company aims to use the net proceeds from the proposed share capital increase pursuant to the provisions of L. 2778/1999 (as amended by L. 3581/2007) on real estate investment companies and according to its business strategy.

To the extent permitted by real estate market conditions, the Company's strategy regarding its future growth is (also benefiting from the institutional changes brought by the recent change in the legal regime) to acquire high quality office, retail, logistics and industrial spaces, in prime or potentially prime locations both in Greece and the CEE, in order to lease them to corporate tenants in accordance with its investment strategy and in compliance with applicable laws. With regard to the timetable for the use of proceeds, the Company intends to use most of the proceeds within 24 months following the final subscription of the share capital increase.

The individual investments to which the Company will proceed have not yet been fully determined and consequently can not be described in detail herein. The Company, however, commits itself to provide the information required pursuant to article 289 of the ATHEX Regulation upon realisation of the said investments and to also comply with all its regulatory obligations pursuant to the applicable legislation.

3 Statements of Main Shareholders

The Company's main shareholders, i.e. the shareholders who hold, directly or indirectly, at least 5% of the Company's share capital and who also participate in its management (senior executives, Directors), announce the following:

EFG Eurobank Ergasias S.A., who holds 54.88 % of the Company's share capital and participates in its management, announces its intention to retain the shares that it will hold on the date of the aforementioned Extraordinary General Assembly until on the one hand completion of the share capital increase and the listing of the new shares and on the other hand for a period of 6 months following commencement of trading of the new shares.

Lamda Development S.A., who holds 10.22 % of the Company's share capital and participates in its management, announces its intention to retain the shares that it will hold on the date of the aforementioned Extraordinary General Assembly until on the one hand

completion of the share capital increase and the listing of the new shares and on the other hand for a period of 6 months following commencement of trading of the new shares.

4 Offer Price

The Company's Board of Directors proposes that the offer price for the New Shares may exceed the market price on the date that the shares will trade ex rights.

After the present report was prepared, it was unanimously approved by the members of the Board of Directors.

THE BOARD OF DIRECTORS

Nea Ionia, August 6th, 2007