

annual report
2007



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BABIS VOVOS
INTERNATIONAL CONSTRUCTION S.A



annual report

2007





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CASPOTE
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1. Financial highlights

€1,225 m.

A valuation decrease
of 1.3% vs 2006

Gross fair market
Value of BVIC's
property portfolio

€876 m.

A valuation decrease
of 7.1% vs 2006

Net fair market
Value of BVIC's
property portfolio

€101 m.

An 81% increase vs 2006

Revenue

€19.97

A 2% decrease vs 2006

NAV per share
before deferred tax

€24 m.

A 84% decrease vs 2006

EBITDA

€8 m.

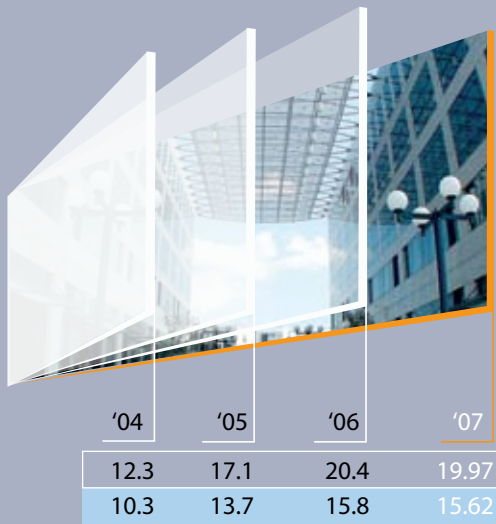
Loss after tax

€1,232 m.

An 3% increase vs 2006

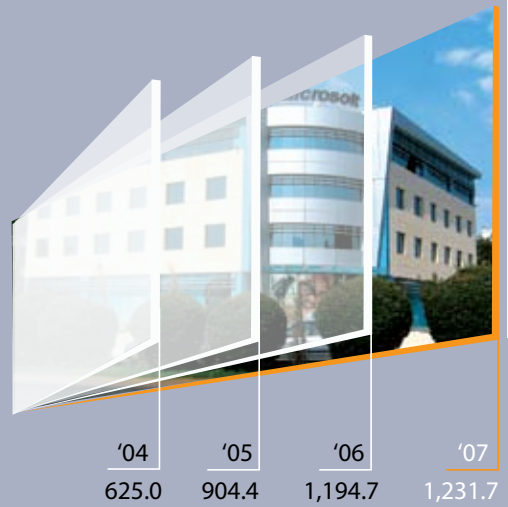
Investment Properties

NAV per share (€)

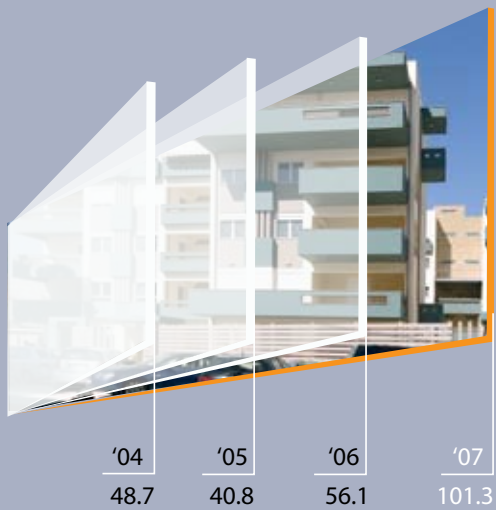


■ NAV per share before deferred tax
■ NAV per share after deferred tax

Investment Properties (m.€)



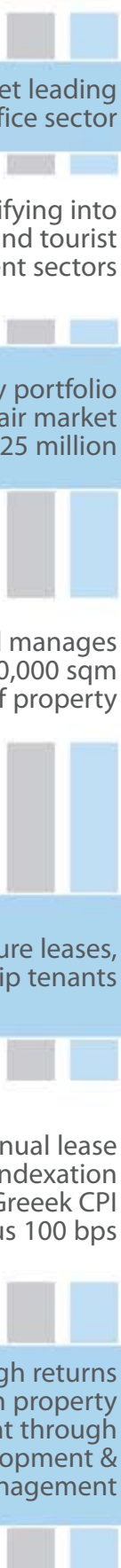
Revenue (m.€)



Profit After Tax (m.€)



2. Corporate profile



Market leading position in the office sector

Diversifying into the retail and tourist development sectors

Property portfolio gross fair market value of €1,225 million

BVIC owns and manages over 200,000 sqm of property

Long and secure leases, blue chip tenants

Annual lease indexation at Greek CPI plus 100 bps

High returns on property investment through development & management

Babis Vovos International Construction S.A. ('BVIC') is the leading Greek real estate developer, owner, and manager. The Group's core business is the office property market. BVIC is also entering the high growth retail and tourist property markets, together with the refinement of its business model in order to maximise shareholder value.

BVIC has grown from nearly 20,000 sqm under ownership in 2001 to over 200,000 today, valued at €1,225 million, by retaining prime assets. Our portfolio is characterised by class A commercial properties around the central arteries of Athens, which offer significant advantages by virtue of their size, location and facilities.

The scale of our business is unique to the Greek market, exactly as our customer-focussed approach is. The Group has developed a loyal and broad network of leading national and international corporations as clients, including Cosmote, the LG Electronics, Marfin Bank, Media Markt, Microsoft, Norton Rose, Village Roadshow, Vodafone, WIND, Hellenic Exchanges and Greek Ministry of Public Works.


We believe that our low vacancy rates are partly due to our strong customer focus while our attractive yields are mainly due to the high quality, turnkey projects that we develop for our clients. We have been successful in capturing high returns on our investments while maintaining a low risk level, with nearly a 100% occupancy rate for our portfolio and a blue chip tenant base.

BVIC is involved in all aspects of property development and investment, from site acquisition and project construction through to the leasing and sale or retention of the constructed building. Being able to cover the full spectrum of property development and management activities offers significant advantages in terms of access to deal flow, efficiency, speed and flexibility. We are well known for providing 'turnkey' solutions for our clients and almost all of our projects are committed during the early stages of development enabling us to offer tailor made solutions to our tenants, with average construction periods of 18 months.

BVIC produces sustainable, recurrent results by capitalizing on its strong competitive advantage, comprising in-depth knowledge of the markets, and access to deal flow, building on the Group's excellent track record.



3. Position and strategy



BVIC has grown considerably over the past few years and has created a strong platform for future growth



BVIC holds the leading position in the Greek office real estate sector with its office portfolio at nearly 100% occupancy rate

BVIC intends to capitalise on its competitive strengths and concentrate on the fastest growing property sectors in the Greek real estate market. The Group's main strategic goal is to maintain its leading position in the domestic office market and to expand into the retail and tourist development markets in order to deliver long-term growth in shareholder value.

BVIC will continue focusing on the optimisation of its prime asset portfolio in the commercial sector, enhancing property returns and creating attractive long-term investments. This will be achieved by exploiting both the current and future property development pipeline. The Group creates value for its portfolio through profitable development, active asset management and an optimal financial structure. Long-term leases with financially strong tenants ensure a secure rental income stream and enable the Group to obtain more efficient financing.

Office Sector

The Group has been active in the market since 1974 and has acquired an excellent reputation in the market because of its unique portfolio of class A' assets in prime locations. Since 2001, BVIC has been growing its investment property portfolio, by developing and maintaining ownership and management of large-scale, high quality, office buildings in prime business areas. The Group disposes of the assets that do not meet its risk adjusted return targets. These sales provide a cost effective source of capital for BVIC.

BVIC is the market leader in the office real estate sector with its office portfolio at nearly 100% occupancy rate.

The portfolio is characterized by a blue chip tenant base with minimum 12 year closed lease agreements. The tenants opt out of the legal 2 year break option since BVIC delivers tailor made 'turnkey' solutions for them. These lease agreements provide a secure long-term stream of cash flows to the Group. Moreover, lease indexation to Greek CPI with a 100bps spread provides growth to the Group's rental revenues.

BVIC also aims at value creation from new developments, which increase the Group's NAV. BVIC's development pipeline has continued to grow over time and the Group will be delivering a mixed use retail and office building at 340 Syggrou Avenue in 2008.

The dynamics of the class A office market make it very attractive, taking the restricted supply, high barriers to entry in the form of heavy bureaucracy and strong demand into consideration. The shortage of sites available on Kifissias Avenue has driven BVIC to start looking towards other areas, such as Syggrou and Athens Avenue. Many corporations and governmental bodies have announced their intention to relocate from the CBD to other, more fringe areas. Access to areas peripheral to the centre of Athens have been facilitated because of recent or on-going infrastructural changes. Moreover, Athens Avenue is anticipated to benefit from a regeneration and redevelopment project, therefore the demand for this area is growing.

Retail Sector

A key component of BVIC's strategy is to build on its experience and leading position in the real estate office sector and expand into the high growth retail real estate sector. Greece has an underdeveloped retail real estate market with one of the lowest retail space per capita ratios in the Eurozone. This is due to the fact that the space offered in Greece is mainly high street retailing. Shopping malls, big box retail stores and outlet stores are a new phenomenon in Greece that has met with huge success.

Currently, BVIC is developing a shopping mall of 70,000 sqm of gross lettable area, that will be the largest in Greece. As in the office market, the Group looks to secure long term leases with blue chip anchor tenants, creating a broad and loyal client base.



Tourist Sector

BVIC has positioned itself to be able to capitalize on the predicted boom in the Greek tourist development market, with two hotel development projects in its pipeline. BVIC has two land plots totaling 158,000 sqm, for which it has obtained all the necessary permits in order to develop two tourist complexes with a total GLA of almost 35,000 sqm.

The Group's risk-averse strategy in this sector is to initially undertake projects within close proximity to Athens, in areas that already benefit from high demand to develop large-scale projects. Once they are completed the developments will be sold or leased on a long-term basis to hotel operators.

4. Chairman's Statement

2007 was an exciting year for BVIC, as we made good progress with our development pipeline, aiming to develop assets of the highest quality that continue to place us at the forefront of the Greek real estate market and generate attractive returns for our shareholders.

At the core of our business is our leading position in the office market. In 2007 we completed the high profile Hellenic Exchanges Complex. This project entailed the construction of a 6,700 sqm office building for the use of the Hellenic Exchanges, as well as two additional buildings of a total Gross Lettable Area (GLA) of 17,000 sqm which BVIC sold. Specifically, BVIC sold a building of 5,000 sqm to Allianz S.A. for € 17.5 million and a building of almost 12,000 sqm to KanAm Grund for € 47.1 million. These sales generated revenue of € 53.5 million for the Group during the year. The development of the new Athens Stock Exchange confirms the Group's leading position in the office property market. Furthermore the project contributes to the redevelopment and regeneration efforts that are taking place in the broader area of Votanikos.

Additionally, we have made significant progress in terms of implementing the growth strategy we embarked upon in 2004, accessing a new market for us: the high growth retail real estate market. With the Votanikos shopping mall, we are creating the right product for the retail market in Athens, which is one of the most underdeveloped in the broader Eurozone. The shopping mall of 70,000sqm of GLA is due to be completed by the end of 2009. It has already generated nearly € 100 million in terms of NAV creation in 2006 and 2007 for the Group, based on revaluations of the land plot.

I would also like to update you on the retail and office development at 340 Syggrou Avenue, which is on schedule for completion in Q3 of 2008. We have signed a lease agreement with Media Markt as anchor tenant for the retail space, and we expect to have leased the whole of the development before its completion. The development is anticipated to generate close to € 4.5 million in annual lease revenue and close to € 55 million NAV creation. We also have € 80 million in terms of financing in place, with a 20 year sale and leaseback agreement that we signed in January 2008. Since we acquired the land plot, through the acquisition of a company in 2006, values on Syggrou Avenue have increased and therefore we are very pleased with the returns that the property will generate.

The other two projects of strategic importance to the Group are the hotel developments in Poros and in Sounio, representing 35,000 sqm under construction on land plots of 158,000 sqm. BVIC Group has received the three necessary building permits for the Sounio project. The total GLA of the three five star hotel units will be approximately 12,000 sqm located on a 62,000 sqm sea-side plot. The development is planned to be completed during 2009.

The tourist development in Poros is progressing well, the semi-developed residential units of 18,000 sqm are being completed, whilst the hotel unit of 4,700 sqm will be refurbished. The development cost for the Group as at 31 December 2007, reached € 10 million, with an anticipated total cost in the area of € 25 million, by the end of 2008 when the project is scheduled for completion.

These projects underline the Group's commitment for expansion in the tourist development sector, while the land plots' prime locations have already attracted the interest of Greek and foreign hotel operators.



During 2007, we significantly advanced our projects under construction and BVIC is well positioned to meet its long-term targets and to achieve excellent returns for our shareholders in the coming years.

I would like to thank all of the staff at BVIC for their dedication and hard work, without which we would not be where we are today. I would also like to thank our shareholders for their continued commitment and support.

BABIS VOVOS
Chairman



5. CEO's Review

It is my pleasure to be able to share with you a strong set of results for 2007, as we advanced our development programme and secured additional debt for the Group to be able to meet its development financing requirements, while continuing to generate significant growth in our recurring lease revenue.

In 2007, our NAV per share before deferred tax decreased by 2% year-on-year to € 19.97. This was due to the fact that no investment properties under construction were completed during 2007 and there were limited revaluation gains during the year. In 2008, the Group expects an NAV contribution of almost €1.6 per share from the completion of the commercial center at 340 Syggrou Avenue. Furthermore, the NAV contribution from the completion of Poros will enable us to achieve double digit NAV growth. We believe that our strategy of focusing on the prime office market, while taking advantage of opportunities in the retail and tourist development sectors, will generate strong growth in our net asset value in the coming years.

BVIC Group's revenue increased by 81% year-on-year in 2007 to € 101 million. This was mainly attributable to an increase in development and sales revenue in 2007 vs 2006 by 259% to €56 million. The sale of two buildings under construction at the HELEX complex generated € 53.5 million in 2007, according to the percentage of construction completed.

The Group's rental revenues increased by 13% in 2007 to € 44.1 million, mostly as a result of new lease agreements that came into effect during the year from the Delta Falirou Complexes that were delivered in 2006. Additionally, rent adjustments of approximately 4%, on the existing lease agreements that include an annual upward revision based on Greek CPI plus 100 basis points provided generated like for like rental growth for the Group. In a strong inflationary environment such as that of Greece is experiencing today, this should give rise to rent adjustments of over 5% in 2008.

The completion and leasing of 340 Syggrou Avenue during 2008 is anticipated to add approximately €4.5 million in rental revenue in 2009, which is an increase of 10% in the Group's rental revenue. The contribution of the Votanikos shopping mall in 2009 is expected to contribute € 35 million in rental revenue, therefore we anticipate that the Group's rental revenue will have almost doubled in 2010.

BVIC Group EBITDA stood at € 24 million in 2007, compared to €146 million in 2006. This was mainly driven by a net gain from fair value adjustment on investment properties of € 5 million in 2007, compared to a € 139 million net gain in 2006. During 2007, the revaluation of the Votanikos land plot, based on the increase in values in the area stemming from the infrastructural works being carried out, as well as the permits obtained by the Group, led to a revaluation gain of approximately €35 million. The revaluation of the land plot at Syggrou Avenue, based on recent transactions demonstrating a rise in prices in the area, led to a €3 million revaluation gain. The above revaluation gain were almost entirely offset mainly by a decrease in the value of BVIC's sale and leaseback and Built Operate Transfer portfolio, that had a revaluation loss of € 32m, stemming from an increase in the discount rate to 6% for the sale and leaseback and 6.8% for the BOT, due to the rising interest rate environment.

The Group's net finance expenses increased by 34% in 2007 vs 2006 to €35 million, due to an increase in interest rates and additional debt. These led to a loss after tax for the year of € 8 million, compared to a profit after tax of € 85 million during 2006.



BVIC's investment property portfolio stood at € 1,232 million, as at 31 December 2007, a 3 % increase from the 2006 value of € 1,195 million. The increase in investment properties stemmed partially from additional construction costs accumulated for projects under development, the most significant of which were those incurred for the commercial development at 340 Syggrou Ave, the shopping mall at Votanikos and the tourist development at Poros. In total, there was an increase of € 27 million in investment properties in 2007, that was accumulated construction cost driven. The revaluation gains driven increase of investment property amounted to € 5 million.

The Group has been successful in securing new borrowing during the year in order to meet its development costs. These include new loan facilities to cover the development costs at Votanikos of € 59 million, a € 20 million loan for the development of Sounio, and € 9 million for the Poros development. BVIC has secured a line of credit for a further €61 million for Votanikos, that has not yet been drawn down. The new sale and leaseback agreement of € 80 million signed for the development at 340 Syggrou Ave has not been reflected in the Group's balance sheet as at 31 December 2007 since it was signed during January 2008.

During 2007, the company proceeded with the refinancing of four of its sale and leaseback agreements, based on the rental growth that has occurred over the last few years from the lease agreement adjustment of Greek CPI plus 100 bps. This resulted in an increase of the value of the assets at 6 Pouliou Str., 95-97 Kifissias Avenue (subject to two sale and leaseback agreements), and 221 Kifissias Avenue, amounting to a total additional notional amount of € 48 million for these assets.

Moreover, the Group lowered its future interest expenses on the existing sale and leaseback agreements for these assets. The interest rate for the sale and leaseback for 6 Pouliou Str decreased from Euribor 1 month plus 2.20% spread to Euribor 1 month plus a spread of 1.80%. The interest rate for 95-97 Kifissias Avenue decreased from Euribor 3 month plus 2.50% spread to a spread of 2.00% over Euribor 1 month as far as the SLB agreement with Alpha Leasing is concerned, while the interest rate for 95-97 Kifissias Avenue decreased from Euribor 3 month plus 2.50% spread to a spread of 1.80% over Euribor 1 month as far as the SLB agreement with Piraeus Leasing is concerned. Additionally, the interest rate for 221 Kifissias Avenue from Euribor 1 month and 285 bps decreased to Euribor 1 month plus 180 bps.

We are committed to creating value for our shareholders, during 2007 we concentrated our efforts on investing for future growth, and we believe that we are well positioned to achieve excellent returns in the coming years.

ARIS VOVOS
Chief Executive Officer

6. Property portfolio review

Property Portfolio Asset Valuation

BVIC's gross property portfolio was valued by Colliers International, as at 31 December 2007, at € 1,225 million, a 1% decrease from the 2006 valuation of € 1,241 million. The net value of the property portfolio was €876 million in December 2007, a 7% decrease from € 943 million in December 2006.

Based on the valuation provided by Colliers, BVIC's investment property portfolio stood at € 1,232 million, as at 31 December 2007, a 3 % increase from the 2006 value of € 1,195 million.

The increase in BVIC's investment property portfolio stemmed partially from additional construction costs accumulated for projects under development. The total construction cost for our projects in 2007 stood at € 27 million, and arose mainly from the commercial development at 340 Syggrou Ave, the shopping mall at Votanikos and the tourist development in Poros - Galatas.

The revaluation of the Votanikos land plot, based on the increase in values in the area stemming from the infra-structural works being carried out, as well as the permits obtained by the Group, led to a revaluation gain of approximately € 35 million. The revaluation of the land plot at Syggrou Avenue, based on recent transactions demonstrating a rise in prices in the area, led to a € 3 million revaluation gain.

As far as the rest of the investment property portfolio of the Group is concerned, including horizontal ownerships, sale and leaseback and BOT properties, these were reduced by a total of € 28 million, mainly due to an increase in the discount rate used to 6% for our sale and leaseback properties and 6.8% for our BOT properties.

The Group's land plots that are not under construction presented insignificant valuation changes.

Investment Properties

The Group's investment property portfolio consists predominantly, about 54% , of Class A office complexes in prime location in Athens, with nearly a 100% occupancy rate and a blue chip tenant base offering a highly visible and secure income stream. The pre-eminence of our portfolio in the Athens office market arises because of the size, location and the quality of construction of our assets, providing an excellent work environment. Our lease agreements are usually closed 12 year lease agreements, with an annual indexation to Greek CPI plus 100 bps spread. Our unique portfolio of prime assets has attracted high quality tenants such as Cosmote, LG Electronics, Marfin Bank, Microsoft, Norton Rose, WIND, Vodafone and the Greek Ministry of the Economy. We have a market leading position and we continue in our endeavours to grow our portfolio of high quality income generating assets, protected by fixed long term leases.

Retail assets currently consist of about 37% of our property portfolio, almost doubled since 2005, and up from 26% in 2006, reflecting our growth strategy in the sector. Most of our pipeline is concentrated in the retail real estate development sector where the combination of low supply, strong consumer spending, and strong demand for large-scale investments create a favourable environment.

In terms of hotel developments BVIC has identified significant opportunities in a market that is still relatively immature with significant growth potential and attractive returns. We have kept our initial investments in the sector at low risk, purchasing two land plots for a total of almost € 8 million, in areas that benefit from strong tourist demand, within close proximity of Athens and serviced by an excellent transportation network. We currently have two projects under construction in this sector that account for 4% of our investment properties.

Residential assets and our land plots account for 1% of investment properties in our balance sheet.

Finally, the Group owns parking spaces in buildings that it has developed and sold to third parties, these are included in horizontal ownerships and account for nearly 4% of the property portfolio.

Sale and Leaseback

Nearly half of our investment property portfolio consists of income producing assets with long-term closed lease agreements and with secured long-term debt in the form of sale and leaseback agreements. The rental income, that we receive from these assets, benefits from leases with an annual readjustment of Greek CPI plus 100 bps that provides rental growth.

BVIC's sale and leaseback properties have a gross value of Eur 695 million, with Eur 315 million of related debt. This is BVIC's largest asset class, that contributed approximately Eur 19 million to BVIC's rental income in 2007. We did not receive the anticipated Eur 2 million in lease income from the parking spaces at 49 Kifissias Avenue and Delta Falirou during the year, as the lease with our parking station operator was terminated.

BVIC has entered into sale and leaseback arrangements for 10 properties, comprising a total of almost 54,900 sqm of lettable area, and 3,770 parking spaces. Almost half of the assets are large single tenant office complexes situated on Kifissias Avenue. Kifissias Avenue is one of the major arterial roads in Athens, a prime retail and office avenue that connects central Athens with the Northern suburbs.

There will be one addition to our sale and leaseback portfolio during 2008, from the completion of a retail and office development at 340 Syggrou Avenue covered by sale and leaseback agreements of Eur 80 million, corresponding to 14,108 sqm of retail and office space as well as 400 parking spaces.

A sale and leaseback agreement is a transaction where the Group sells, a property or part thereof, subject to a lease (normally on institutional terms) for a fixed period of time, usually 10 – 15 years, to a Greek leasing company. BVIC will then enter into a typically coterminous occupational lease with a tenant, usually for a period as long as the lease agreement period. The rent received from the tenant is used for the payment of the interest and amortisation costs to the leasing company. At the end of the lease, BVIC has the right to re-purchase the property, usually at a nominal cost.

The sale and leaseback agreements allow BVIC to transfer the asset's ownership, while having the right to use or grant sublease of the property. BVIC retains a call option over the properties, so at the end of the lease term, the property may revert to the Group, usually for a nominal fee.

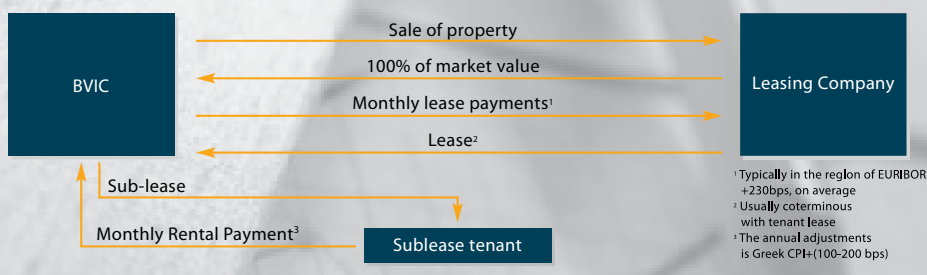
In 2002, Greek tax law was amended so that sale and leaseback transactions were no longer subject to 11% transfer tax. As a result, BVIC had entered into a number of sale & leaseback agreements in respect of its larger, prime location buildings. In summary, the benefits for BVIC from the sale and leaseback structure are that:

- BVIC raises 100% of the market value of the property for the years of the sale & leaseback contract, on entering into the sale and leaseback;

- BVIC may re-purchase the property at the end of the lease term, usually at a nominal value;

- no transfer tax (currently at an 11% rate) is payable by the purchaser/leasing company;

- as of 2004, no corporate income tax (currently at 25%) is imposed on any profit derived by BVIC upon its initial sale to the purchaser/leasing company, provided that such a profit or gain is booked in a special tax-free reserve. Such reserve is taxed upon distribution or capitalisation thereof.



Property address	Description	Lettable Area (m2)	Parking spaces	SLB Contract Value (EUR m)	SLB Contract Duration
Delta Falirou	Retail, leisure and storage	13,663	738	59.0	2006-2019
66 Kifissias Avenue	Retail, office and storage	8,207	853	80.0	2004-2018
95 – 97 Kifissias Avenue	Retail, office and storage	6,610	1,037	74.1	2004-2027
49 Kifissias Avenue	Retail and Storage	9,671	516	46.0	2005-2022
6 Poulou Street	Retail, office and storage	6,590	192	48.8	2003-2023
24 Kifissias Avenue	Office and storage	3,019	204	20.9	2002-2014
221 Kifissias Avenue	Retail, office and storage	2,571	128	19.0	2004-2027
1 – 3 Kifissias Avenue	Office and retail	1,992	64	9.1	2003-2015
174 Syngrou Avenue	Office	1,945	37	5.3	2003-2015
109-111 Kifissias Avenue	Retail and storage	595	-	4.0	2003-2013
Total		54,863	3,769	366.2	

Property address	Tenant	Occupational Lease Duration	Yearly Lease (Eur m) as at 31/12/2007
Delta Falirou	Village Roadshow, Media Markt	2006-2018	3.7
66 Kifissias Avenue	WIND	2001-2018	5.0
95 – 97 Kifissias Avenue	Cosmote	2004-2019	3.4
49 Kifissias Avenue	Media Markt, Ependysi S.A.	2005-2018	1.9
6 Poulou Street	ASEP, Ministry of Economy	2003-2015	2.2
24 Kifissias Avenue	Marfin Bank	2002-2014	1.1
221 Kifissias Avenue	Microsoft	2004-2016	1.0
1 – 3 Kifissias Avenue	Ministry of Internal Affairs and Ministry of Public Works	2003-2015	0.7
174 Syggrou Avenue	Bestend Publishing	2005-2017	0.4
109-111 Kifissias Avenue	Vacant	-	-
Total			19.4

6. Property portfolio review

Built Operate Transfer

BVIC Group has two Built Operate Transfer (BOT) agreements included in its investment property portfolio and the present value of the associated lease obligations are included in its debt.

The first BOT that BVIC entered into in 2004 consists of two building complexes on a land plot of 27,372 sqm, located at Ethnikis Antistaseos, Tzavella and Mykonou Strs, owned by the Russian Federation. Under a Build Operate Transfer (BOT) agreement, the Russian Federation retained ownership of one building complex and has sublet the second one to BVIC for 48 years, at a monthly lease of Eur 10,000, annually readjusted by Greek CPI. The second building complex consists of 17,220 sqm of lettable area and 700 parking spaces and it has been sublet to Vodafone for an 18 years duration. Moreover, Alpha Leasing has securitised the income stream for Eur 60 million from the Building Complex II for 18 years.

During 2006, BVIC completed a Built Operate Transfer agreement for Delta Falirou Complex I, consisting of two buildings with a total lettable area of 9,640 sqm consisting of office and retail space as well as 658 parking spaces. Following completion of the development, BVIC entered into a 49 year BOT agreement with the landowner Rizarios Ecclesiastical School (RES). BVIC is required to pay the RES 49 annual leasing payments, starting at €1.2 million, adjusted over the term according to Greek CPI.

Property address	Anchor Tenant	Occupational Lease Duration	Yearly Lease (Eur m) as at 31/12/2007
Ethnikis Antistaseos	Vodafone	2004-2022	4.9
Delta Falirou I	Norton Rose, LG Electronics, Various	2006-2018	2.0

Horizontal Ownership

Horizontal ownerships comprise individual floors, or parts thereof, that are owned directly by BVIC, within buildings developed by the Group, corresponding to a percentage ownership of the land and car parking spaces. Colliers International use comparable sales data and the direct capitalization approach in order to value horizontal ownerships.

Prior to 2001, BVIC would sell the properties it developed to third party investors, retaining only some horizontal ownership. This has changed, as the Group's financing has evolved and the Greek office real estate market has

Property address	Description	Tenants	Area m ²	Parking spaces
Poros	Hotel	Vacant	3,800	-
10 – 12 Kifissias Avenue	Office space, storage space and retail	Ant1 TV, Intestra, Spot, Campina	3,184	136
32 Kifissias Avenue	Office space, storage space	Alcatel, Coca Cola, Motorola, Pepsico, Samsung	2,038	326
Delta Falirou II	Leisure space	Vacant	910	-
64 Kifissias Avenue	Storage space, retail shop	Vodafone, WIND, EADS, Seamax	749	47
60 Kifissias Avenue	Office space and storage space	Coca Cola, CCC, EETT	616	170
56 Kifissias Avenue	Storage space	Converse, GM, Tetrapak	550	89
4 Vasilissis Sofias Avenue	Residential	Private Individuals	469	-
44 Kifissias Avenue	Retail shop, storage space	Cosmote, Philips, Cisco, Greek Coffee Co, Alpha Bank	443	303
Mauromixali Street	Residential	Private Individuals	356	-
49 Kifissias Avenue	Storage space	Vacant	274	-
3 Premetis Street	Retail shop, storage space	Zografakis, Intralot, Flash, EETT	141	22
14 Kifissias Avenue	Retail shop	Ant1 TV	108	18
62 Kifissias Avenue	Retail shop	Coca Cola, GM, Computer Associates, CCC, EETT	50	69
340 Kifissias Avenue	Retail shop	Mazars Hellas	28	155
24 Kifissias Avenue	Parking	Coca Cola, Marfin Bank, Investment Bank, BP, Aluminium of Greece, Mytilineos S.A.	-	471
66 Kifissias Avenue	Parking	Coca Cola, Giannelos	-	223
68 Acadimias Street	Parking	Paradise & Co GP	-	17
7 Kifissias Avenue	Parking	General Secretary of Sports	-	1
Total			13,716	2,047

matured, so that in the case where the Group wishes to retain ownership of a development it may be financed via the sale and leaseback method. The Group's long-term strategy is not to focus on this type of assets that represent partial building ownership.

BVIC has 19 assets in the horizontal ownership category, comprising a total of 13,716 sqm of lettable area, and 2,047 parking spaces.

Under Construction

At the end of 2007, BVIC had nearly 116,000 sqm of lettable area, on a total land area of 144,000 sqm under construction, including the largest shopping mall in Greece and two projects in the tourist real estate market, both areas in which we are materializing our expansion strategy. Properties under construction are included in our balance sheet as investment properties at the market value of the land and construction cost to date. At 31 December 2007, their total value was Eur 264 million.

The largest project that we currently have under development is the shopping mall at Aghia Annis & Aghiou Polycarpou, located in South West Athens, nearly 3 km from the city centre within the borders of the Metropolitan intervention and combined urban regeneration and development of the areas of Alexandras Avenue and Votanikos. The shopping mall will incorporate approximately 69,000 sqm of gross lettable area as well as 2,400 parking spaces, making it the largest shopping mall in Greece. It is scheduled for completion by the end of 2009, with expected total land and construction costs of circa Eur 250 million. During 2007, the Group completed the demolition of the existing buildings on the Votanikos site and its excavation. We anticipate strong demand from occupiers given the mall's critical mass and location, as well as the scarcity of prime retail development in Greece. We are confident in the success of the shopping mall which is set to be a premier retail destination located next to the heart of Athens' city centre.

Property Address	Description	Land Area m2	Building Area m2
Votanikos- Aghia Annis & Aghiou Polycarpou	Shopping Mall	43,216	69,000
Poros – Galatas	Hotel Development	30,000	18,000
340 Syggrou Avenue	Retail and Office Complex	5,841	14,108
Sounio	Resort complex	62,144	12,089
109 – 111 Kifissias Avenue	Office Development	3,000	3,062
Total		144,201	116,259

Land Plots

As at December 31, 2007, BVIC owned 5 land plots with a total surface area of nearly 29,000 sqm.

Property Address	Area m2
Poros - Galatas	24,000
338 Kifissias Avenue	1,973
Amaroussiou – Chalandriou Avenue	1,260
Theotokopoulou Street	933
Dimitsanas & Kaltetzon Street	600
Total	28,766



Valuation Certificate

The Directors
Babis Vovos International Construction S.A.
340 Kifissias Avenue
Neo Psychiko 154 51
Athens, GREECE

Re: Certificate of Value as of December 31, 2007

Athens, March 26, 2008
Dear Sirs:

In accordance with the terms of our appointment as independent appraisers, we have conducted a valuation of their real estate assets, including land and buildings (the "Assets") belonging to Babis Vovos International Construction S.A. (BVIC) and certain subsidiaries (the "Company") in Greece. Colliers International Hellas has been instructed by Babis Vovos International Construction S.A. (here after the Company), to offer an opinion of the "Fair Value" of the real estate assets owned by the Company in Greece.

The properties are held for investment and in some instances held for development or are in the course of development. The valuation analysis of these properties and those of the remainder of the portfolio are included in the body of our report with the concluded estimates of value reported in the tables below and elsewhere in the executive summary in their appropriate categories.

The purpose of our valuation analysis was to assist Babis Vovos International Construction S.A. in establishing the fair market value of the real estate assets. The function of our valuation analysis was to provide information to the management of Babis Vovos International Construction S.A. about the market value of the subject properties in order to support their decision making process in relation to the restatements of the Company's financial statements according to the requirements of the International Accounting Standards – IAS and the International Financial Reporting Standards - IFRS.

The value estimates apply as of December 31, 2007 and are subject to the Assumptions and Limiting Conditions contained in the report in addition to any other assumptions that may be contained in the body of this report. In the process of preparing this appraisal we:

- Inspected the majority of the subject properties;
- Relied on information provided by the Company as well as on a previous valuation report;
- Conducted market research into sales and rental rates for comparable properties; and
- Examined market conditions and analysed their potential effect on the properties.

The function of the valuation is to provide information to the management of BVIC regarding the market value of the subject properties for Balance Sheet Reporting and inclusion in the Company's Annual Accounts.

Accordingly, our work product is not to be used for any other purpose or distributed to third parties without the express knowledge and written consent of Colliers International. Furthermore, the result of our valuation consulting services does not constitute a fairness opinion or investment advice and should not be interpreted as such. Accordingly, our consulting report is not intended for the benefit of a Bank or Developer (other than the client) or any other third party and should not be taken to supplant other inquiries and procedures that a Bank or any other third party should undertake for the purpose of considering a transaction with the Company.

Our real estate valuation analysis is based on the premise that the Company is and will continue as a going-concern business enterprise.

Our valuation consulting services are performed in accordance with generally accepted appraisal standards and in conformance with the professional appraisal societies to which we belong.

The date of valuation has been established as December 31, 2007.

The standard of value is "Market Value".

Market Value is defined as: "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein parties had each acted knowledgeably, prudently, and without compulsion."

The expression Market Value and the term Fair Value as it commonly appears in accounting standards are generally compatible, if not in every instance exactly equivalent concepts. Fair Value, an accounting concept, is defined in International Financial Reporting Standards and other accounting standards as the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's-length transaction. Fair Value is generally used for reporting both Market and Non-Market Values in financial statements. Where the Market Value of an asset can be established, this value will equate to Fair Value.

Before any valuation analysis can be made, the appropriate premise of value should be established. The general concept of value can be separated into two categories: value-in-exchange on a piecemeal basis and value-in-use. Value-in-exchange represents the action of buyers, sellers, and investors, and implies the value at which the property would sell on a piecemeal basis in the open market. Value-in-use is the value of special purpose property and assets as part of an integrated facility and reflects the extent to which the assets contribute to the profitability of the operation of that facility or going concern. These two premises can have a significant effect on the results of a valuation analysis.

For purposes of this report and the valuation of the selected assets, we will use the premise of Value-in-Exchange.

We have performed no test of earnings and cash flows to verify whether there is a sufficient return on and return of investment in the Assets. The background data of the property and valuation is included in the body of the full valuation report.

On the basis of our research, study, inspection, investigation and analysis as set forth in the valuation appraisal report, it is our opinion that the subject Assets have an estimated "Fair Value" as of December 31, 2007 of:

Property Category	2007 Estimated Fair Value (€) (rounded)
Horizontal Ownerships	66.541.000
Land Plots	11.330.000
Under Construction properties	263.300.000
Build Operate Transfer Agreement	145.625.000
Transfer of Building Coefficient	43.140.000
Sub Total	529.936.000

Sale & Leaseback Portfolio	Estimated Fair Value (€) (rounded)
Value of the Sale & Leaseback Agreements with 3rd Party Tenants	174.731.000
Present Value of the Residual Value of the Sale & Leaseback Portfolio	520.126.000
Gross Value of the Sale & Leaseback Portfolio	694.857.000
Value of the Sale & Leaseback Obligations to the Leasing Companies	-312.779.640
Net Value of the Sale & Leaseback Portfolio	382.077.360

Property Category	Estimated Fair Value (€) (rounded)
Other Property Categories	529.936.000
Gross Value of the Sale & Leaseback Portfolio	694.857.000
Gross Value of the Portfolio	1.224.793.000
Less: Value of the Sale & Leaseback Obligations to the Leasing Companies	-312.779.640
Less: NPV of the lease obligation payments of the BOT agreements	-36.360.000
Net Value of the Portfolio	875.653.360

Our study was conducted in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the "ASA"). The valuation report is prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and RICS (the "Royal Institution of Chartered Surveyors")

Respectfully submitted,



Andreas Marambos
Managing Director



Dimitris Papachristos
Head of Valuation



Spyros Raptis
Senior Professional Valuer



George Dussias
Senior Valuation Consultant

Valuation Certificate

Assumptions and Limiting Conditions

The following Terms, Assumptions and Limiting Conditions are an integral part of this report.

1. Complete Agreement

It is understood and agreed that these Terms embody the complete understanding of the parties and that any and all provisions, negotiations, and representations not included herein are hereby abrogated. These Terms cannot be changed, modified, or varied except by written instrument signed by both parties. These terms shall be binding upon the successors, heirs, administrators and executors or devisers of the parties hereto; and Babis Vovos International Construction S.A. (hereafter the 'Company') shall remain liable even though ownership of the business or its assets might change.

2. Single Purpose

This report is valid only when presented in its entirety and only for the purpose stated herein. It is expressly understood that our analyses and conclusions do not, in whole or in part, constitute a fairness opinion.

3. Confidentiality

Colliers International requests that the Company preserve the confidentiality of the format and content of any reports prepared on the Company's behalf. The Company agrees not to reference our name or our report, in whole or in part, in any document distributed to third parties, without our written consent Colliers International unless it is subject of equity & debt funding from 3rd parties for investment either into the company's shares or into certain financial vehicles the Company is considering establishing such as a Greek law REIC or Fund. Colliers International will likewise preserve the confidential nature of information received from the Company or developed during this engagement, in accordance with Colliers International established professional standards.

It is understood and agreed that all work-product shall remain the exclusive property of Colliers International.

4. Responsibility Statement

Colliers International agrees that the services provided were performed in accordance with recognized professional standards and that adequate personnel were assigned for that purpose. This report has been prepared in conformity with, and is subject to, the requirements of the code of professional ethics and standards of professional conduct of the professional appraisal organizations of which we are members. We assume no responsibility for any financial and tax reporting judgments which are appropriately those of the Company's management.

We have acted as an independent contractor. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us by the Company.

5. Indemnification

The Company agrees to indemnify and hold Colliers International harmless from, and at the option of Colliers International will defend it against, costs or liabilities which result from claims against Colliers International Finance S.A. by any third parties, where such claims arise out of any authorized use of the results of Colliers International work, unless it is finally judicially determined that such losses, claims, damages or liabilities were caused by fraud, gross negligence or willful misconduct on the part of Colliers International in performing its obligations under this Agreement.

6. Subsequent Work

We, by reason of this report, are not required to furnish additional work, or to give testimony, or to be in attendance in court with reference to the assets, properties, or business interests in question unless arrangements have been previously made.

We have no responsibility to update this report for any changes occurring subsequent to the issuance of this report.

7. Asset Description

We assume no responsibility for the legal description or matters including legal or title considerations. Titles to the subject assets, properties, or business interests are assumed to be good and marketable unless otherwise stated.

The subject assets, properties, or business interests are appraised free and clear of any or all liens or encumbrances unless otherwise stated. We assume that there is full compliance with all applicable Federal, state, and local regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.

Any plot plans, sketches, drawings or other exhibits in this report are included only to assist the reader in visualizing the property. We have made no survey for this report and assume no responsibility for such. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or other violations of any regulations affecting the subject property. Except as noted, this analysis assumes the land to be free of adverse soil conditions which would prohibit development of the property to its highest and best use.

8. Unseen Conditions

We assume no liability for structural conditions not visible through an ordinary inspection (or through a review of the plans and specifications, for proposed construction projects). This analysis is of surface rights only, and no analysis has been made of the subsurface or of hazardous waste conditions, if any. This appraisal does not take into consideration the possibility of the existence of asbestos, PC transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks (hazardous material), or the cost of removal. We are not qualified to detect such substances. An expert in this field should be retained if desired.

9. Further Assumptions

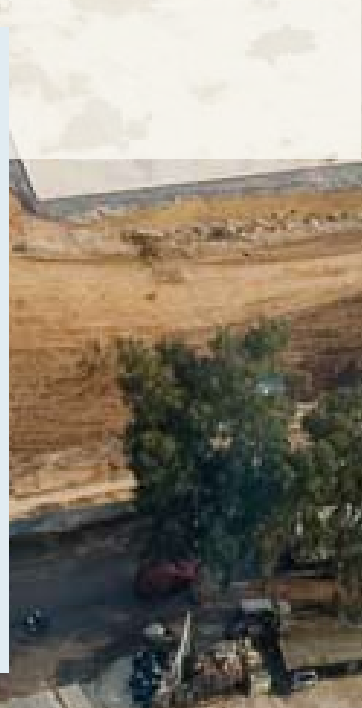
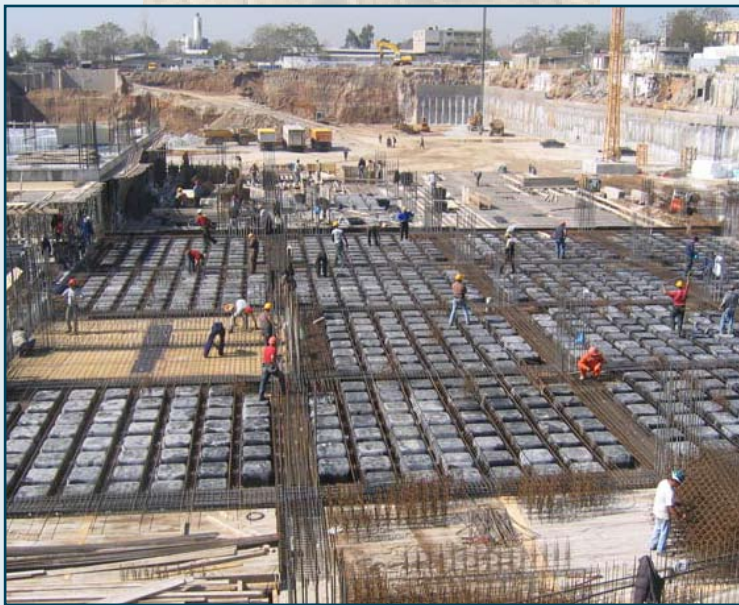
We assume responsible ownership and competent management with respect to the subject assets, properties, or business interests.

The information furnished by others is believed to be reliable. However, we issue no warranty or other form of assurance regarding its accuracy.

We assume that all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state, or national government, private entity or organization have been or can be obtained or renewed for any use on which the valuation opinion contained in this report is based. Our appraisal and estimates of value for the subject property are based additionally on the following specific assumptions:

- 1.** The square meters of the appraised land and buildings have been taken from documents provided to us by you. We assume that this information is correct.
- 2.** All the information supplied by the owner, are correct especially, building areas as stated, cadastral documents, plan and technical description of the buildings, lease contracts, title deeds and the amount of annual local taxes. We have relied on this information being correct and complete and on there being no undisclosed matters which would affect our valuation.
- 3.** No technical control has been carried out by Colliers International for the assets' proper insulation, for the static adequacy and the proper function of the asset's installations. In addition we did not perform any control of the existing reports related to the buildings and the topographical reports.
- 4.** We did not perform any review of the materials used in the construction of the assets and therefore we assume that unhealthy materials have not been used during the construction or repairs.
- 5.** We did not check for any archaeological, ecological or other environmental issues for the subject assets.
- 6.** We did not perform any visual inspection of the assets to check if the land has been contaminated or polluted.
- 7.** A potential purchaser of the property can acquire legal title for both land and buildings comprised by the property.
- 8.** During the appraisal we did not taken into account any sale expenses or taxes that must be paid in case of the sale of assets.





7

Financial Review





7.1 Fundamentals of "Babis Vovos International Construction S.A."

INCOME STATEMENT 2006 – 2007		
amounts in thousand €	1/1-31/12/2007	1/1-31/12/2006
Revenue	87,563	46,121
Gross profit / (loss)	18,938	12,309
Earnings / (loss) before interest, tax, depreciation and amortization	32,592	14,952
Earnings / (loss) before interest and tax	32,193	14,609
Profit / (loss) before tax	3,680	(30,908)
Less: tax	1,623	(2,649)
Profit / (loss) for the year	5,303	(33,556)
Basic and diluted earnings per share for profit attributable to equity holders during the year (in €)	0.16	(0.99)
Number of shares at the end of the fiscal year	33,930,000	33,930,000
Proposed dividend per share – (in €)	–	–

Revenue

At 31.12.2007, the Company's revenue reached at € 87.6 million compared to € 46.1 million approximately of the previous fiscal year showing an increase of 89.9%. The revenue's analysis is as follows:

amounts in thousand €	1/1-31/12/2007	1/1-31/12/2006	% change
Rental income	30,587	29,840	2.5%
Property sales	55,874	14,709	279.9%
Construction works	1,037	1,470	(29.4%)
Other	65	104	(37.5%)
Total	87,563	46,121	89.9%

The above table indicates that there has been an increase in the rental revenue (2.5%) while a significant increase in the property sales was also recorded (279.9%). The increase in the property sales was mainly due to the sale of building B at the HELEX complex located at 108-110 Athens Avenue. As far as building B is concerned, the company signed a sale contract with the real estate investor "KanAm Grund" on May 18th, 2007. The price was defined at € 47.1 million. As far as building C is concerned, the company had signed a sale contract with "ALLIANZ S.A." on November 24th, 2006. The price had been defined at € 17.5 million. The revenue recorded during 2007 based on the above sales contracts amounted to € 53.5 million. Revenue from property sales also includes revenue from the sale of apartments located at Patmou & Agrafon street in Maroussi as well as from the sale of two under construction residences located at Building Block 270 in N. Erythrea.



Earnings / (loss) before interest, tax, depreciation, and amortization (EBITDA)

The company's earnings before interest, tax, depreciation and amortization (EBITDA) at 31.12.2007 reached at € 32.6 million compared to € 15.0 million approximately of the previous fiscal year, increased by 118.0%. This increase was mainly based on the increased gross profit, as mentioned above, as well as the increased by 103.8% net gain from fair value adjustment on investment property which mainly reflects the increase in the fair value of the land plot located at Ag. Annis & Polykarpou str. in Votanikos.

Profit before tax

At 31.12.2007, the company recorded a profit before tax amounting to € 3.7 million. During the previous fiscal year, the company had recorded a loss before tax amounting to € 30.9 million. The variation between the two fiscal years is due, as mentioned before, to the increased net gain from fair value adjustment on investment property as well as the decreased net financial expenses. Financial expenses reached at € 32.7 million versus € 30.0 million of the previous fiscal year representing an increase of 9.2%. Respectively, financial revenue reached at € 10.8 million versus € 3.6 million of the previous fiscal year representing a percentage increase of 199.8%. The financial expenses increase was mainly driven by the increase of borrowings as well as the increase of interest rates, however, the latter is being compensated by the gains from derivatives mainly targeting to the lowering of the company's borrowing costs. Therefore, there is an overall decrease of 16.8% as far as the net finance expenses are concerned.

BALANCE SHEETS OF THE FISCAL YEARS 2006-2007

amounts in thousand €	2007	2006
ASSETS		
Investment property and property, plant and equipment	829,277	800,411
Intangible assets	16,506	16,546
Inventories	35,085	25,354
Trade and other receivables	67,866	64,157
Cash and cash equivalents	76,429	46,627
Other assets	48,241	47,548
TOTAL ASSETS	1,073,404	1,000,644
EQUITY & LIABILITIES		
Long-term borrowings	423,356	281,656
Deferred income tax long-term liabilities	91,680	95,358
Other long-term liabilities	21,829	20,341
Short-term borrowing	46,373	100,017
Other-short term liabilities	141,179	159,586
Total liabilities	724,416	656,959
Share capital	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders	338,809	333,506
Capital and reserves attributable to the company's equity holders	348,988	343,685
TOTAL EQUITY & LIABILITIES	1,073,404	1,000,644



Investment property and property, plant and equipment

The Company's investment property and property, plant and equipment have increased by 3.6% compared to the fiscal year 2006 and reached at € 829.3 million versus € 800.4 million in the previous fiscal year. This increase is indicative of the company's strategy, during the last years, in aiming at the development, retaining and exploiting of its property instead of selling it. The increase in the company's investment property portfolio is partly due to the additional construction costs accumulated through the development progress for the properties located at 340 Syggrou Avenue, the commercial center in Votanikos as well as the tourist development in Poros which are classified as investment property under construction. Nevertheless, the increase in the fair value of the land plot in Votanikos, which has led to gains from fair value adjustment, has also partly contributed to the aforementioned increase of the investment property portfolio value.

The company's property value increased by 130%, according to the balance sheet figures, from € 360.6 million in 2003 to € 829.3 million in the fiscal year 2007.

Inventories

The variation in inventories during 2007 (€ 35.1 million) compared to 2006 (€ 25.4 million) is mainly due to the reclassification of the accumulated construction cost amounting to € 23.7 million, referring to the under construction residential properties in N. Erythrea, from investment property to inventories since they are intended to be sold. The total increase of inventories is lower though, due to the respective inventory decrease through the sale of the office and retail buildings located at 108-110 Athens Avenue as well as of some of the apartments at Patmou & Agrafon Str. in Maroussi.

Borrowings

During the fiscal year 2007, the company's financing via borrowing reached at € 156.9 million. Part of the above financing amounting to € 108.8 million concerns new bank borrowings of the company with the intention of financing the under construction properties – mainly the construction of the shopping mall in Votanikos, the tourist developments in Sounio and Poros. However, part of the new borrowings is used as working capital. Additionally, during 2007, there was a revision of four sale and leaseback agreements based on the rental growth that has occurred over the last few years from the lease agreement adjustment of Greek CPI and 100 bps. The revisions resulted in an increase of the value of the assets by € 48 million which are recorded as new borrowings. More specifically, the values are increased for the buildings at 6 Pouliou Str., 95-97 Kifissias Avenue (subject to two sale and leaseback agreements) and 221 Kifissias Avenue. Company borrowings referring to sale and leaseback contracts are decreasing according to the agreed repayment schedules. The majority of the borrowings (61.4%) are related to sale and leaseback agreements for investment property and their repayment is mainly served by the leases received for the relevant property.



Net Asset Value (NAV)

The NAV of the company at 31.12.2007 reached at € 349.0 million representing a increase of 1.5% compared to the previous fiscal year (€ 343.7 million).

DATA PER SHARE FOR THE FISCAL YEARS 2006 – 2007

amounts in €	1/1-31/12/2007	1/1-31/12/2006
Earnings / (loss) before interest, tax, depreciation and amortization	0.96	0.44
Profit / (loss) before tax	0.11	(0.91)
Profit / (loss) for the year	0.16	(0.99)
Number of shares at the end of the fiscal year	33,930,000	33,930,000
Proposed dividend per share	–	–
NAV per share before deferred tax	12.99	12.94
NAV per share	10.29	10.13

The Company's NAV per share before deferred tax reached at € 12.99, registering an increase of 0.4% compared to 2006. The Company's NAV after deferred tax reached at € 10.29, decreased by 1.6% compared to 2006.

The Company will not distribute dividend to its shareholders for the fiscal year of 2007. This is a result of limited property sales in 2007 in line with the Company's strategy of retaining most of its income producing properties which are developed by the Company as well as the existence of significant under construction projects.

7.2

Consolidated Fundamentals of the Group "Babis Vovos International Construction S.A."

Consolidation principles

Under the provisions of Codified Law 2190/1920 and the IAS 27 for consolidated financial statements, "Babis Vovos International Construction S.A." includes on a consolidated basis all the subsidiaries in which it participates with more than 50%. All companies were consolidated with the full consolidation method. All transactions between these companies were offset in the process of consolidation. The offset of subsidiaries transactions (liabilities, receivables, revenues, expenses, profit and losses) was made under full consolidation method.

The consolidated financial statements include the financial statements of "Babis Vovos International Construction S.A." and its subsidiaries (consolidated with the full consolidation method). The subsidiaries included are as follows:



Company name	Country of registered office	Participation percentage	
		Direct	Indirect
• BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A & Co G.P. (hereafter BVIC G.P.)	GREECE	99.90%	–
• DOMA S.A.	GREECE	98.98%	–
• ERGOLIPTIKI- KTIMATIKI – TOURISTIKI S.A. (hereafter ERGOLIPTIKI S.A.)	GREECE	51.00%	–
• INTERNATIONAL PALACE HOTEL S.A.	GREECE	–	51.00% ⁽¹⁾
• ALTECO S.A.	GREECE	99.01%	–
• ELFINKO S.A.	GREECE	99.00%	–

NOTES:

(1) It is included in the consolidation with 51% percentage of ownership through "Ergoliptiki - Ktimatiki - Touristiki S.A." which owns 100% of its share capital.

All the above companies are included in the consolidated balance sheet of the fiscal years 2006 and 2007. It has to be noted that "Elfinko S.A" was acquired in May 2006.

The fiscal year closing date for all the consolidated companies coincides with the one for the parent company "Babis Vovos International Construction S.A." (31.12.2007).

CONSOLIDATED INCOME STATEMENT 2006 – 2007		
amounts in thousand €	1/1-31/12/2007	1/1-31/12/2006
Revenue	101,293	56,077
Gross profit / (loss)	27,387	15,363
Earnings / (loss) before interest, tax, depreciation and amortization	23,501	145,667
Earnings / (loss) before interest and tax	22,950	145,195
Profit / (loss) before tax	(11,645)	119,433
Less: tax	3,887	(34,039)
Profit / (loss) for the year	(7,758)	85,394
Attributable to:		
Equity holders of the company	(7,472)	86,187
Minority interest	(286)	(793)

Revenue

At 31.12.2007, the consolidated revenue reached at € 101.3 million compared to € 56.1 million approximately of the previous fiscal year increased by 80.6%. The consolidated revenue is analysed as follows:



amounts in thousand €	1/1-31/12/2007	1/1-31/12/2006	% change
Rental income	44,060	39,050	12.8%
Property sales	55,874	15,559	259.1%
Construction works	1,310	1,468	(10.8%)
Other	50	0	100.0%
Total	101,293	56,077	80.6%

The above table indicates that there has been a significant increase in the rental revenue (12.8%). That resulted from new lease agreements which started at the end of 2006 and contributed to the rental revenue during the year 2007, as well as rent adjustments of approximately 4%, on the existing lease agreements, that include an annual upward revision based on Greek CPI plus 100 basis points.

A significant increase in the property sales was also recorded (259.1%). This was due, as mentioned before, to the sale of the buildings B and C at the HELEX complex at 108-110 Athens Avenue. The revenue recorded during 2007, based on the above sales contracts, amounted to € 53.5 million. Revenue from property sales also includes revenue from the sale of apartments located at Patmou & Agrafon street in Maroussi as well as from the sale of two under construction residences located at Building Block 270 in N. Erythrea.

Earnings / (loss) before interest, tax, depreciation, and amortization (EBITDA)

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) at 31.12.2007 reached at € 23.5 million compared to € 145.7 million approximately of the previous fiscal year, decreased by 83.9%.

This decrease was mainly based on the decreased (by 96.1%) net gain from fair value adjustment on investment property (31.12.2007: € 5.4 million versus € 138.9 million in 2006). During the previous fiscal year, the construction of Building complexes I and II at Delta Falirou had been completed resulting in significant gains from fair value adjustment in investment properties.

Profit before tax

At 31/12/2007, the Group recorded a loss before tax of € 11.6 million. During the previous fiscal year, the Group had recorded profit before tax amounting to € 119.4 million. The variation between the two fiscal years is mainly due, as mentioned before, to the decreased net gain from fair value adjustment on investment property.



CONSOLIDATED BALANCE SHEETS OF THE FISCAL YEARS 2006 – 2007

amounts in thousand €	2007	2006
ASSETS		
Investment property and property, plant and equipment	1,242,347	1,219,157
Intangible assets	18,934	18,974
Inventories	31,868	29,120
Trade and other receivables	37,212	40,406
Cash and cash equivalents	92,706	71,509
Other assets	576	277
TOTAL ASSETS	1,423,644	1,379,444
EQUITY & LIABILITIES		
Long-term borrowings	535,096	412,405
Deferred income tax-long term liabilities	147,558	153,951
Other long-term liabilities	23,049	21,407
Short-term borrowing	97,254	131,977
Other-short term liabilities	83,766	115,026
Total liabilities	886,723	834,766
Share capital	10,179	10,179
Retained earnings and reserves attributable to the		
Company's equity holders	519,721	527,193
<i>Capital and reserves attributable to the company's equity holders</i>	<i>529,900</i>	<i>537,372</i>
Minority interest	7,020	7,306
Total equity	536,920	544,678
TOTAL EQUITY & LIABILITIES	1,423,644	1,379,444

Investment property and property, plant and equipment

The Group's investment property and property, plant and equipment have increased by 1.9% compared to the fiscal year 2006 and reached at € 1,242.3 million versus € 1,219.2 million approximately during the previous fiscal year. This increase is indicative of the Group's strategy, during the last years, in aiming at the development, retaining and exploiting of its property instead of selling it. The Group's property value increased by more than 100% according to the balance sheet figures from € 456.5 million in 2003 to € 1,242.3 million in the fiscal year 2007 (an increase of approximately 172.1%).

The increase in the Group's investment property portfolio is partly due to the additional construction costs accumulated the development progress for the properties located at 340 Syggrou Avenue, the commercial center in Votanikos as well as the tourist development in Poros which are classified as investment property under construction. Nevertheless, the increase in the fair value of the land plot in Votanikos, which has led to gains from fair value adjustment, has also partly contributed to the aforementioned increase of the investment property portfolio value. The increase is percentagewise lower than the company respective one mainly due to the fact that the values of subsidiaries' investment properties are lower based on the Valuation Report of Colliers International.



Inventories

The variation in inventories during 2007 (€ 31.9 million) compared to 2006 (€ 29.1 million) results, almost entirely, from the variation in the parent company's inventories as described above. The subsidiaries' inventories included in the consolidated data have no special fluctuations.

Borrowings

During the fiscal year 2007, the Group's new borrowings amounting at € 157.3 million refers almost at total to new borrowings of the parent company. As mentioned before, an amount of € 108.8 million concerns new bank borrowings of the company with the intention of financing the under construction properties – mainly the construction of the shopping mall in Votanikos, the tourist developments in Sounio and Poros. However, part of the new borrowings is used as working capital as well. Additionally, during 2007, there was a revision of four sale and leaseback agreements which resulted in new borrowings of € 48.5 million. An amount of € 0.4 million was referring to the subsidiary 'Ergoliptiki – Ktimatiki – Touristiki S.A. which owns 10% of the total building located at 221 Kifissias Avenue. The majority of the Group borrowings (59.3%) are related to sale and leaseback agreements for investment property and their repayment is mainly served by the leases received for the relevant property.

Structure of the Group's Borrowings

amounts in thousand €	2007	2006
Bank borrowings	217,846	160,248
Finance lease liabilities	414,504	384,134
Total borrowings (a)	632,350	544,382
Cash and cash equivalent (b)	92,706	71,509
Net Borrowings (a) – (b)	539,644	472,872

Total borrowings of the Group at December 31st, 2007 are analysed as follows:

amounts in thousand €	2007
Bank borrowings	217,846
Sale & leaseback contracts	366,707
Preliminary sale & leaseback contracts	8,000
Build Operate Transfer agreements (BOT)	39,586
Machinery finance leases	212
Total borrowings	632,350

Net borrowings represent 44.1% of the gross value of property portfolio (€ 1,224.8 million) as it was determined on the valuation report by the independent and professionally qualified valuer of Colliers International. This proves the significant credit rating of the Group in order to pursue and expand its activities.



Net Asset Value (NAV)

The Group NAV, after minority interest, reached at € 529.9 million representing a decrease of 1.4% compared to the previous fiscal year (€ 537.4 million). The NAV remained almost flat mainly due to the fact that no investment properties under construction were completed during 2007, and therefore, there were revaluation gains of only € 5.4 million during the year. The continuous increase of the Group NAV remains the main strategy of the management. The Group's property portfolio pipeline and the respective progress in the construction of the under development properties are expected to safely lead to a further increase of NAV for the forthcoming fiscal years.

DATA PER SHARE FOR THE FISCAL YEARS 2006 – 2007		
amounts in €	1/1-31/12/2007	1/1-31/12/2006
Earnings / (loss) before interest, tax, depreciation and amortization ⁽¹⁾	0.69	4.29
Profit / (loss) before tax ⁽¹⁾	(0.34)	3.52
Profit / (loss) for the year ⁽¹⁾	(0.23)	2.52
NAV per share before deferred tax	19.97	20.37
NAV per share	15.62	15.84

NOTES:

(1) The amount are before the deduction of minority interest.

The NAV per share of the Group before deferred tax reached at € 19.97 decreased by 2.0% compared to 2006 (€ 20.37), while the Group's NAV per share after deferred tax reached at € 15.62 decreased by 1.4% compared to 2006 (€ 15.84).

8

Information about the Company





8.1 Share capital and shareholders of the Company

The share capital of "Babis Vovos International Construction S.A." totals € 10,179,000 and is divided into 33,930,000 common registered shares with voting right, at the nominal value of € 0.30 each.

The table below sets out the shareholding structure of the Company as at 31/3/2008.

SHAREHOLDING STRUCTURE OF "BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A."			
Principal Shareholders	Number of Shares	Voting Rights	Percentage (%)
Charalambos Vovos	12,238,270	12,238,270	36.07%
International Institutional Investors	19,325,592	19,325,592	56.96%
Domestic Institutional Investors	501,540	501,540	1.48%
Other Investors	1,864,598	1,864,598	5.49%
TOTAL	33,930,000	33,930,000	100.00%

With the exception of the above shareholders, there are no other persons or legal entities that control the Company or are in a position to control it directly or indirectly, separately or jointly.

8.2 Administration- Management

The Board of Directors was elected by a decision of the Annual General Meeting of the Shareholders held on June 29th, 2006 pursuant to the respective decision of the Board of Directors on the same date (Government Gazette 7431/13.07.2006).

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Charalambos Vovos	Chairman (Executive)
• Thaleia Vovos	Vice-Chairman (Executive)
• Armodios Vovos	Chief Executive Officer (Executive)
• Evangelia Asimakopoulos	Member of the Board (Executive)
• Triada Vovos	Member of the Board (Non - Executive)
• Nicolaas Van Ommen	Member of the Board (Non Executive - Independent)
• Kyriaki - Thaleia (Korina) Sylira	Member of the Board (Non Executive - Independent)

The term of office of the Board of Directors is five years and expires on 30.06.2011.

Nicolaas Van Ommen and Kyriaki - Thaleia (Korina) Sylira are independent members of the BoD. Independent members are those, who are not in a relation of dependence on the Company or its affiliates.



The Company is represented to any authority by Charalambos Vovos, Armodios Vovos and Thaleia Vovos apart from certain cases such as the purchase or sale of property, the signing of preliminary agreements for the purchase/sale of property, leasing contracts, collection of money orders in any amount and loans. In these cases, the signature of Charalambos Vovos and one of the other two representatives is required.

All BoD members have committed themselves not to engage in competitive to the company activities, either individually or through their participation in a company apart from the cases where there is an explicit approval of the General Meeting of the shareholders.

The members of the Board of Directors of "Babis Vovos International Construction S.A." are presented hereunder:

Charalampos Vovos

Chairman of the Board of Directors. Graduate of the N.T.U.A. Civil Engineering Faculty. After his graduation, at the age of 24, he decided to engage in Real Estate Development and he constituted a partnership with experts P. Famelis and I. Zouganelis under the name "Famelis – Zouganelis – Vovos General Partnership" assuming the scientific part (designs etc.) of the company's works. In January 1974 he created the company which is currently named "Babis Vovos International Construction S.A." His name is linked to large-scale pioneer building complexes in the Attika region which have made BVIC S.A. a leading company in Greek Real Estate market.

Thaleia Vovos

Vice Chairman of the Board of Directors. Graduate of the Athens Law School. She has been working in the company since 1989. She has been a BoD member since 1992.

Armodios Vovos

Managing Director and Executive member of the Board. Graduate of the N.T.U.A. Civil Engineering Faculty. He has been working in the Company and has been a BoD member since 1992.

Triada Vovos

She has been working in the company since 1989. She has been a BoD member since 1992.

Evangelia Asimakopoulos

Executive member of the Board and Head of Human Resources. She is a graduate of the University of Patras (Mathematics Faculty). She has been working in the Company since 1987 and has been a member of the Board since 1997.

Nicolaas Van Ommen

He has been CEO of the European Public Real Estate Association from May 2000 up to October 2007. EPRA's stated mission is to promote, develop and represent the European public real estate sector. EPRA's members include the majority of the leading real estate companies and investment institutions in Europe. Prior to that he was employed as Managing Director in the banking, venture capital and asset management sectors of the financial industry for 23 years. He is an independent member of the Board of Directors of PSP Swiss Property, and Pirelli Real Estate Fund Management, as well as the Supervisory Board of IVG Immobilien.



Kyriaki - Thaleia (Korina) Sylira

Vice-president at DVB Bank AG specialising in corporate finance. She has almost 10 years of accumulated experience in the banking sector having held the position of associate at JP Morgan Chase in London in M&A, and that of analyst at Ergasias Bank, amongst others.

The non – independent members of the Company 's Board of Directors are not remunerated for their position as such. In the fiscal year 2007, total remuneration and other benefits received by BoD members as employees as well as the total remuneration and benefits of the independent members of the BoD are included in the operating expenses.

The mailing address of the BoD members is 340 Kifissias Avenue 154 51 – N. Psychiko.

Executives – Heads of Departments:

George Konstantes

Head of the Legal Department. Lawyer licenced to practice before the Court of Appeals. He is a graduate of the Salonica Law School and holder of a postgraduate degree of the Lateranense University of Rome. He has been working in the Company since 1988.

Stavros Chatziavraam

Chief Financial Officer. Graduate of the Business Administration Department of the University of Piraeus. Two-year postgraduate studies in the Institute of Certified Auditors Accountants. He has a long experience in the financial-accounting branch and his last position was in the auditing company SOL S.A. He has been working in the Company since 2002. He has been in his present position since May 2003.

Maria Vovos –Stavridakis

Head of Sales-Leases Department. She is a graduate of the Department of Political Science & Public Administration of the Athens Law School and has been working in the Company since 1989.

Triada Vovos of Dimitrios

Head of the Technical Services Department. She is a Graduate of the N.T.U.A. Civil Engineering Department. She has been working in the Company since 1984.

Andreas Miserlis

Head of Accounting Department. He is a graduate of the Supreme Industrial School of Thessaloniki and has been working in the Company since 1980.

Eleni Paraskevopoulos

Internal Auditor. She is a graduate of the Athens Law School. She has been with the Company since 1990 and in her present post since the June 1st, 2006.

Christos Raptis

Communication Adviser. Graduate of the Faculty of Communication and Media Studies in the University of Athens. He has been working in the Company since January 2003. He has worked for a daily news program of Antenna TV (2002), he has been a member of the editorial team of a magazine of Hachette Rizzoli publishing house (1999-2002) and has worked for Lambrakis Press S.A. prints.

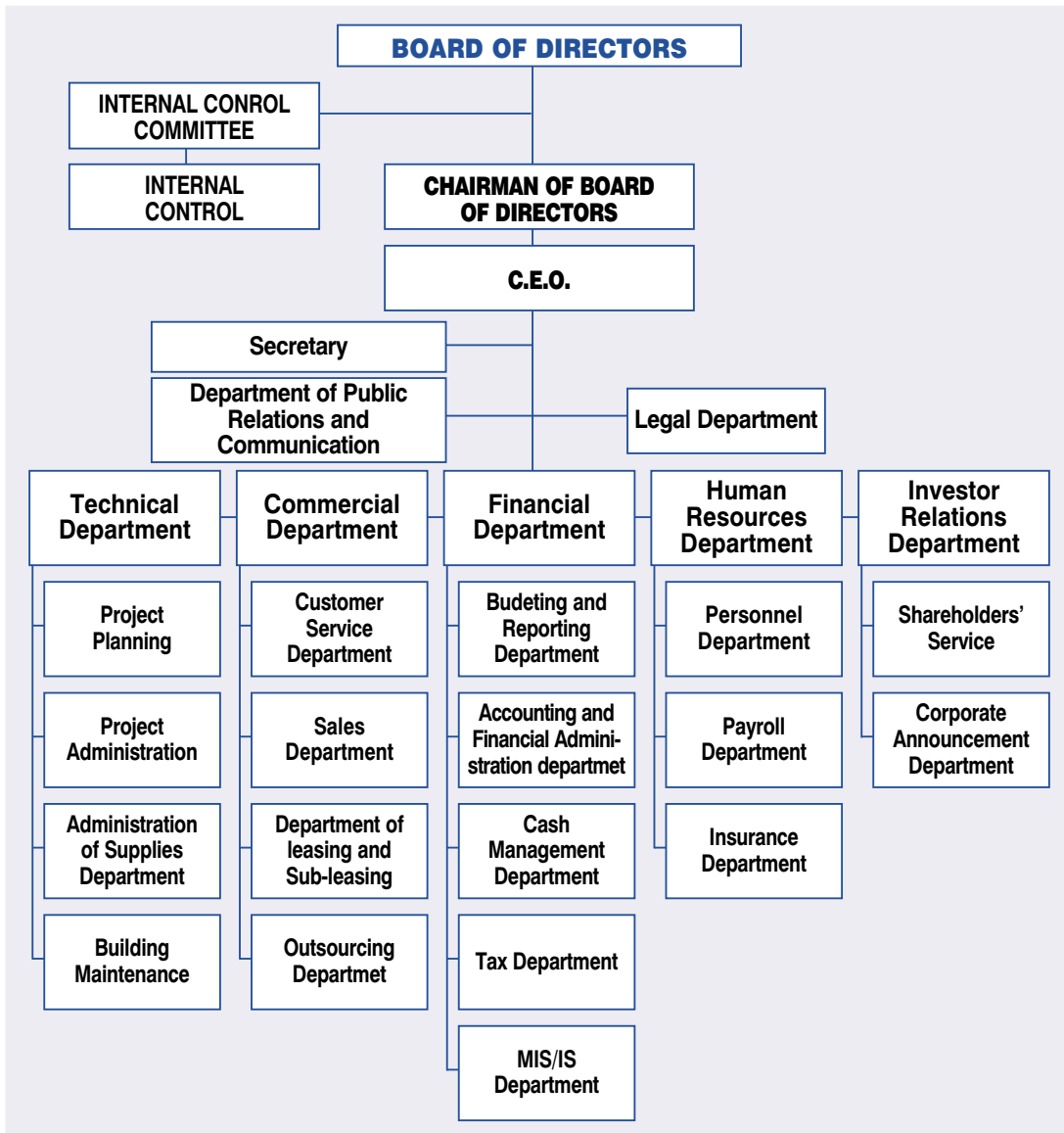
Verinna Vangelatos

Head of Investor relations. She holds a Bachelor degree in Economics from Manchester University as well as a Master degree in International Money and Banking from Birmingham University. She has been working in the Company since August 2004. More recently, she had been working as an analyst in Coca Cola and in JP Morgan.

All BoD members and executives of the Company are Greek nationals with the exception of Mr. Nicolaas Van Ommen, Member of the Board (Non Executive – Independent), who is Dutch national.

8.3 Organizational Chart of "Babis Vovos International Construction S.A."

The structure of the Company is set out in the following organizational chart:





It is noted that the Company, pursuant to the Decision 5/204/14.11.2000 of the BoD of the Capital Market Commission, has created a shareholders' service department, a corporate announcements department as well as an internal audit department. The shareholders' service department and the corporate announcements department are headed by Mrs. Georgia Kiose and Mr. Christos Raptis respectively. Mrs. Eleni Paraskevopoulos has been appointed head of the internal audit department since June 1st, 2006.

8.4 Personnel

The following table shows the development of the number of employees and their classification per category according to their specialty for the fiscal years 2006 – 2007. In 2007, the average number of persons employed by the Company was 455. The number of manual workers fluctuates from year to year but also within each fiscal year depending on the progress of works.

Staff category	2006	2007
Administrative personnel	144	196
Manual –technical personnel	144	259
Total	288	455

The Company recognizing the importance of a good working environment for the successful completion of its operations is committed to maintain excellent relations with its personnel without any labour problems arising.

It is noted that the Company carries an employment regulation. The implementation and the adherence to the afore-mentioned regulation are monitored by the Department of Human Resources of the Company.

8.5 Corporate governance

Law 3016 (Government Gazette 110/17.05.2002) instituted the practice of corporate governance with a view to harmonizing the Greek institutional framework with that of the international capital markets. Inter alia, corporate governance aims at the protection of shareholder rights for equal treatment, the guarantee of timely, full and detailed information about all issues bearing on the company, the effective monitoring of the Management by the Board of Directors and the responsibility of the BoD towards the company and the shareholders. "Babis Vovos International Construction S.A.", with the intention of ensuring direct, continuous and detailed informing of investors, immediately adopted and implemented the practices of corporate governance.



Apart from the issues pertaining to Corporate Governance, the Company, in its effort to ensure transparency and open communication between the companies and the investors, meets most of the qualitative criteria for the promotion of listed companies. To this end, it has a website in compliance with requirements, it has created an investor relations department headed by Mrs. Verinna Vangelatos and participates in qualified meetings for the information of institutional and private investor.

Bylaws – Internal Control

The company has drawn up an employment regulation pursuant to the article 1, par. 1 of the Legislative Decree 3789/1957, as its staff exceeds the number of 50 individuals.

In addition, the Company has reviewed its Internal Regulation of Operations (Bylaws) at the points related with Corporate Governance issues and the new organizational structures of the Company. The revised new Bylaws have been put into effect by virtue of the minutes of the BoD dated 28/5/2001. The enforcement and observance of the Regulation in question is monitored by the Internal Control Department of "Babis Vovos International Construction S.A."

By the decision dated June 1st, 2006 of the Company's Board of Directors, Mrs. Eleni Paraskevopoulos was elected internal auditor of the Company. The work of the internal control department is supervised by the independent, non-executive members of "Babis Vovos International Construction S.A.", Mr. Nicolaas Van Ommen and Mrs. Kyriaki - Thaleia (Korina) Sylira.

Furthermore, the heads of the Departments of Shareholders Service and Corporate Announcements of "BVIC S.A." are Mrs. Georgia Kiosse and Mr. Christos Raptis respectively.

8.6

Corporate social responsibility

"Babis Vovos International Construction S.A." is a well established and constantly developing company and its actions have a direct impact on society. Amongst our immediate priorities is to cover needs of the society. The prosperity of society significantly contributes to business development. We are constantly bound in our actions by our code of ethics, aware that our actions and conduct reflect on our employees, our collaborators, our customers, our shareholders and the overall investing community; our aim is to make a contribution to society in general and have a positive impact on the environment. Corporate social responsibility is the vital link between society and companies and it contributes to the preservation of stability. Sustainable development is fundamental for the future. No company – irrespective of its financial prosperity – can be a separate part of the society but it always affects and is affected by the latter.

Corporate social responsibility is fully integrated into our entrepreneurial strategy and viewed as good corporate governance that will support our economic development. We strive for zero environmental impact from our building facilities and to operate always within the boundaries of a code of ethics. Our aim is to establish mutual understanding and trust with citizens. The development of our company fully conforms to the regulations for the protection of the environment, the minimization of use of high energy consuming



raw material and the quality and durability of the constructions.

We feel morally committed to creating the ideal working environment for our employees, and, at the same time, to ensure equal opportunities to all. We provide ongoing training to company executives and employees developing side by side and always utilizing the rules of the company code of conduct as a measure for our behavior. We all view corporate social responsibility as part of our tradition and our culture and all our acts and actions reflect our desire to promote those values. Our aim is to give back to society, contributing part of our company's profitability through a series of specific programs. A company can be characterized as financially viable only if it can minimize negative environmental impact, growing and operating taking into account the social expectations of its shareholders as well as those of the society.

Environmental pollution, rational use of energy resources, traffic congestion, unemployment, social exclusion are all issues that concern society in general. "Babis Vovos International Construction S.A.", seeking to contribute to the resolution of these issues, creates parking places and landscaped garden spaces in each building complex. The growth of enterprises creates new jobs and when the legislative and tax issues that currently concern the entire Greek business world are resolved, new growth will lead to a decrease in unemployment.

In the year 2008, BVIC participates to cultural actions for serving cultural targets. At the beginning of 2008, there was subsidy agreement between the company and the "Hellenic Ministry of Culture". BVIC will pay into 12 instalments as a subsidy the total amount of € 1 million.

Being fully aware of the requirements and the expectations of our shareholders, our company employees and society in general, we are setting up programmes in support of non-profit associations. Among else, our company supports Greek athletes in their attempts worldwide. In 2007, Michael Zambides, the kick boxing world champion, had the support of "Babis Vovos International Construction S.A." during his attempts worldwide.

Additionally, the principal shareholder and Chairman of the company's Board of Directors Mr. Charalambos Vovos, as well as the CEO Mr. Aris Vovos provide ongoing significant aid to people since they have realized their moral obligation to society and people who need help. The reconstruction of the building housing the organization "The Smile of the Child" at Melissia Attica, the support for the athletic development of the Municipality of Amaroussio through the basketball team, as well as the financial aid for the renovation of the Saint George Church at Prigiponissia and various other actions have to be reminded and noted.

The company has also stood for young people in past. It has recruited students of the National Technical University of Athens for practical working experience and training and is prepared to continue in this direction. The company also financially supports, through advertisements to the special purpose press, the attempts towards raising consciousness concerning blood donation.

Our attempts to reconcile economic growth and smooth governance for "BVIC" with social advancement and prosperity are ongoing, tireless and one of our principle concerns. Corporate social responsibility for BVIC is a moral imperative and not a legal obligation. Our identity is our commitment to act in a morally correct way, improving the quality of life of our employees as well as of the society in general.

8.7 Litigation

There is no litigation or arbitration pending against the Company or against companies controlled by the former, which might have a material impact on their financial position, with the exception of those mentioned below, which relate to the Company and its subsidiary "BVIC G.P."

The most important litigious cases are the following:

- The General Hospital for Thorax Diseases "SOTIRIA" has filed before the Multi-Member Court of First Instance of Athens a suit against the company "BVIC S.A." for the refusal to pay the amount of € 293,410.30 as donation, an obligation that was assumed – according to their allegations – in virtue of the contract No 4931/2000 before the notary of Athens P.E Peraki. It was discussed on 2.6.2005 and the ruling is expected. A pre – ruling for delegating to investigators appointed at 14.12.2006 who were expected to deliver their findings during the following two months. We estimate that there are equal probabilities for a positive or negative outcome.
- Claim of Kassimatis Foundation against "BVIC S.A." before the Single-Member Court of First Instance (Leasing). The Foundation with its claim, that is reinstated, requests the award of the amount of € 397,000 for lease reajustments due since 2001, for three properties leased by the Company. There are three counter-suits of the Company against the Foundation requesting a reduction of the rent paid and the readjustment percentage from November 2004. Both were discussed on 08.11.2006. According to the provisions of No. 422/2007, 421/2007 and 420/2007 decisions of the Single-Member Court of First Instance of Athens. All the above claims of Kassimatis Foundation and "BVIC S.A." were rejected as being vague. Kassimatis Foundation made an appeal dated 20.7.2007 which was discussed on 23.10.2008. The ruling is expected and we estimate that there are equal probabilities for a positive or negative outcome. Additionally, BVIC reinstated its claims and they are expected to be discussed as follows: the first two on 26.9.2008 and the last one on 2.10.2008.
- Claim for damages of the HOME for INCURABLES against "BVIC G.P." before the Multi-Member Court of First Instance of Athens, concerning the payment of € 900,000 as compensation for alleged damages by the breach of obligation assumed by the aforementioned Group company. The initial date of the trial was 15.11.2007 however, it was adjourned for 2.4.2009. It is estimated that the probabilities for a positive or negative outcome are equal.
- Claim of X.Frangos against "BVIC S.A." before the Multi-Member Court of First Instance of Athens concerning the payment of € 246,450 as compensation for a delay in delivering of the horizontal properties under his ownership at the building located at 14 Kifissias Avenue in Maroussi. The date of trial is 10.6.2007. It is estimated that the probabilities for a positive outcome are less than 50% at least up to an amount of € 100,000 which is expected to be subject to payment in favour of X.Frangos.
- Claim of CVZ HELLAS ENGINEERING COMPANY Ltd. against "BVIC G.P." before the Multi-Member Court of First Instance of Athens concerning the payment of € 161,270 as outstanding balance for completed study. The initial date of the trial was 27.9.2007 however, it was adjourned for 18.2.2008 and finally was postponed due to



lawyers strike. It is estimated that the probabilities for a positive or negative outcome are equal.

- Claim for damages of "BVIC S.A." against Olympia Kalocheriti nee Sacha etc. before the Multi-Member Court of First Instance of Athens due to lack of stipulated capacity at the conclusion of the contract no 7441/2000 of the notary of Athens M. Gasparinatos-Tzouganatos for the acquisition of their land plot at 4 Theofanous Str. (part of the plot belonged to EYDAP and the company was forced to repurchase it). The case was discussed on January 25th, 2007 and the No 1166/2008 rule of the Multi-Member Court of First Instance of Athens was published according to which the claim of BVIC was fully accepted. The case is at final stages.
- Claim for damages of "BVIC S.A." against N. Kontaratos before the Multi-Member Court of First Instance of Athens for the payment of € 999,956 as a compensation for ethical damage of the company after the claims placed by N. Kontaratos for the payment of alleged outstanding agency fees. The initial date of the trial was 1.2.2007 however, it was adjourned for 20.3.2008. BVIC will further proceed the case with the intention of placing new claims against N. Kontaratos in view of the expected ruling in favour of BVIC. It is estimated that the probabilities for a positive outcome for BVIC are more than 50%
- Petition of the company against the Municipality of Amaroussio before the Single Member Court of First Instance, for the definition of a contemporary compensation due to urban planning expropriation. Total requested amount € 260,120. It was adjourned for 4-4-2008. It is estimated that the probabilities for a positive outcome are more than 50% taking the positive outcome of another similar case into consideration.
- Claim of "BVIC G.P." against the Municipality of Amaroussio before the Three-Member Court of First Instance for the payment of of outstanding VAT amounting to € 173,996.46. The discussion date of the case has not yet been defined. It is estimated that the probabilities for a positive or negative outcome are equal.

For the pending litigation that may lead to financial obligations for the Group companies, adequate provisions have been formed. These provisions have already burdened the results of the fiscal year 2007 as well as the previous fiscal years' results.



8.8

Tax audit

The parent company Babis Vovos International Construction S.A has been tax audited up to and including the fiscal year 2006. The tax audit for the fiscal year 2004 up to and including the fiscal year 2006 of the parent company was completed during 2008. The tax audit resulted in tax audit differences amounting to € 4,607 thousand. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 1,669 thousand burdened the income statement of 2007. The company's tax obligations for the fiscal year 2007 have not been finalized.

"Babis Vovos International Construction S.A. & Co G.P." has been tax audited up to and including the fiscal year 2002. The company's tax obligations for the fiscal years 2003 up to and including 2007 have not been finalized.

"ERGOLIPTIKI S.A." has been tax audited up to and including the fiscal year 2002. The company's tax obligations for the fiscal years 2003 up to and including 2007 have not been finalized.

The company "DOMA S.A." in which the parent company participates with a percentage of 98.98%, has been tax audited up to and including the fiscal year 1998. On 24/7/2000 "DOMA S.A." filed for a tax audit for the fiscal year 1999 which had not been audited and the case is still pending. The company's tax obligations for the fiscal years 2000 up to and including 2007 have not been finalized.

The company "INTERNATIONAL PALACE HOTEL S.A." has been tax audited up to and including the fiscal year 2002. The company's tax obligations for the fiscal years 2003 up to and including 2007 have not been finalized.

The company "ALTECO S.A." in which the parent company participates with a percentage of 99.01%, has been tax audited up to and including the fiscal year 1998. The company's tax obligations for the fiscal years 2000 up to and including 2007 have not been finalized.

The company "ELFINKO S.A." in which the parent company participates with a percentage of 99.00%, has been tax audited up to and including the fiscal year 2004. The company's tax obligations for the fiscal years 2005 up to and including 2007 have not been finalized.

With reference to the non - audited fiscal years a provision for tax audit differences which burdened the fiscal year's results as well as previous fiscal years' results has been formed for all the above mentioned companies and there is no expectation that any significant additional liability will incur.



8.9 Events for the period that were made public by the company

The events which were made public by the company during 2007 and up to April 30th, 2008, are as follows:

Date	Subject	Webpage
Ex-dividend and dividend payment		
23/2/2007	Announcement of no dividend pay-out for the financial year 2006	www.babisvovos.com/Investors Relation/Investors News
General Shareholders Meetings		
2/7/2007	Annual General Meeting Decisions	www.babisvovos.com/Investors Relation/Investors News
8/6/2007	Invitation of the Shareholders to the Annual General Meeting	www.babisvovos.com/Investors Relation/Investors News
Press Releases		
16/4/2008	Comments on press publication	www.babisvovos.com/Investors Relation/Investors News
14/3/2008	Construction of the basement area underway for the Votanikos shopping mall	www.babisvovos.com/Investors Relation/Investors News
11/1/2008	Hotel development in Sounio	www.babisvovos.com/Investors Relation/Investors News
9/1/2008	BVIC Group sale and leaseback agreement for EUR 80 million	www.babisvovos.com/Investors Relation/Investors News
21/12/2007	Hotel development in Sounio	www.babisvovos.com/Investors Relation/Investors News
7/11/2007	Clarifications to press releases	www.babisvovos.com/Investors Relation/Investors News
10/10/2007	Two new lease agreements with Media Markt	www.babisvovos.com/Investors Relation/Investors News
7/8/2007	Votanikos shopping mall in Greece scheduled for completion in 2009	www.babisvovos.com/Investors Relation/Investors News
17/7/2007	Reply to Athens Exchange letter	www.babisvovos.com/Investors Relation/Investors News
7/6/2007	Refutal of press article	www.babisvovos.com/Investors Relation/Investors News
18/5/2007	New sale agreement for BVIC S.A.	www.babisvovos.com/Investors Relation/Investors News
22/2/2007	Announcement concerning the asset owned by BVIC Group at 340 Syngrou Avenue	www.babisvovos.com/Investors Relation/Investors News



Date	Subject	Webpage
16/1/2007	Corporate presentation of BVIC Group at the ODDO Midcap Conference in Lyon France.	www.babisvovos.com/ Investors Relation/ Investors News
Financial Statements		
31/3/2008	Full Year 2007 Financial Results	www.babisvovos.com/ Investors Relation/ Investors News
29/11/2007	Financial Statements 3rd Quarter 2007	www.babisvovos.com/ Investors Relation/ Investors News
30/8/2007	Financial results 1st Half 2007	www.babisvovos.com/ Investors Relation/ Investors News
15/6/2007	Annual Report 2006	www.babisvovos.com/ Investors Relation/ Investors News
30/5/2007	Financial Statements 1st Quarter 2007	www.babisvovos.com/ Investors Relation/ Investors News
3/4/2007	Conference Call for the Fiscal Year 2006 Financial Statements	www.babisvovos.com/ Investors Relation/ Investors News
29/3/2007	Full Year 2006 Financial Results	www.babisvovos.com/ Investors Relation/ Investors News
Transactions notification		
17/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
16/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
15/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
14/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
11/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
10/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
9/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
8/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
7/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
4/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News
3/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/ Investors Relation/ Investors News



Date	Subject	Webpage
2/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
1/4/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
31/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
28/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
24/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
21/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
20/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
11/3/2008	Announcement of regulated information according to Law 3556/2007	www.babisvovos.com/Investors Relation/Investors News
Corporate actions		
17/3/2008	2008 Financial calendar update	www.babisvovos.com/Investors Relation/Investors News
29/2/2008	2008 Financial calendar (Schedule of intended corporate actions)	www.babisvovos.com/Investors Relation/Investors News
26/3/2007	Schedule of intended corporate actions for 2007 (update)	www.babisvovos.com/Investors Relation/Investors News
28/2/2007	Schedule of intended corporate actions for 2007	www.babisvovos.com/Investors Relation/Investors News

The details of the above notifications can be found in the respective webpages that are indicated.

9

Information on the Compilation of the Annual Report and the Company's Auditors





9.1 General information on the compilation of the Annual Report

The present Annual Report has been drawn up and made available according to the provisions of the legislation in force as regards to the content of the information provided to investors as specified by the provisions of the decision no 5/204/14-11-2000 (Government Gazette 1487/6-12-2000) of the BoD of the Capital Market Committee as in force and by the Presidential Decree 348/1985.

The present Annual Report includes all the information and the financial data that are required for the proper assessment of the property, the financial status, the financial results and the prospects of "Babis Vovos International Construction S.A." by the investors and their investment consultants.

All the above financial data and information have been prepared according to the International Financial Reporting Standards (hereafter IFRS).

The Company's Board of Directors declares that all its members are aware of the contents of the this Annual Report and together with the authors thereof solemnly confirm the following:

- All data and information comprised herein are complete and accurate.
- There are no other data nor have other events taken place, the concealment or omission of which would make the entire or part of the data or information contained in this Annual Report misleading.
- There is no litigation or arbitration pending against the Company or the companies held by the former which might have a material impact on their financial status, with the exception of those mentioned in this Annual Report.

9.2 Ordinary Certified Auditors – Accountants

The Company is audited by certified auditors-accountants. The audit of the fiscal year 2007 was conducted by Certified Auditor Mr. Marios Psaltis (Member of the Institute of Certified Auditors-Accountants, registration number: 38081) of the auditing firm PRICEWATERHOUSECOOPERS S.A. (268 Kifissias Av. 152 32 Halandri)

The audit certification for the company and the Group is presented in paragraph 12.1 Independent auditor's report below. The certified Auditor- Accountant certifies that the company and consolidated financial statements present fairly, in all material respects the financial position of the Company and the Group as of 31 December 2007, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.



Emphasis of matter

Without qualifying their opinion, they draw your attention to Note 31 of the financial statements, which refers to the open tax years of the Group Companies and to the fact that additional taxes and penalties may be imposed when the tax returns relating to this year are audited by the tax authorities.

Furthermore the companies that are included in the consolidated financial statements of "Babis Vovos International Construction S.A." for the fiscal years 2006-2007 are audited for the fiscal year 2007 by Certified Auditors-Accountants as follows:

- a) "ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A.": Antonios Prokopidis (member of the Institute of Certified Auditors- Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.
- b) "DOMA S.A.": Antonios Prokopidis (member of the Institute of Certified Auditors-Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.
- c) "BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P.": Marios Psaltis (member of the Institute of Certified Auditors-Accountants, registration no: 38081) of the auditing firm PRICEWATERHOUSECOOPERS SA. (268 Kifissias Av.152 32 Halandri)
- d) "INTERNATIONAL PALACE HOTEL S.A.": Antonios Prokopidis (member of the Institute of Certified Auditors- Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.
- e) "ALTECO S.A.": Antonios Prokopidis (member of the Institute of Certified Auditors-Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.
- f) "ELFINKO S.A.": Antonios Prokopidis (member of the Institute of Certified Auditors-Accountants, registration no: 14511) of the auditing firm PKF Euroauditing S.A.

9.3 Availability of the Annual Report

The Annual report is available to investors free of charge, after the publication of the annual financial statements and in any case ten (10) working days prior to the Annual ordinary General Meeting of shareholders. A copy of the Annual Report is submitted to the Capital Market Commission and the Athens Stock Exchange.

Shareholders and investors that are interested for additional information, and clarifications about "Babis Vovos International Construction S.A." may contact during working hours the Head of Investor Relations of the Company. (340 Kifissias Avenue, 154 51 N. Psychiko) e-mail: ir@babisvovos.gr (Contact: Mrs. Verinna Vangelatos, tel.: 210- 6107201). Copies in electronic format of the present Annual Report as well as prior years' annual reports are also available on the Company's website www.babisvovos.com

10

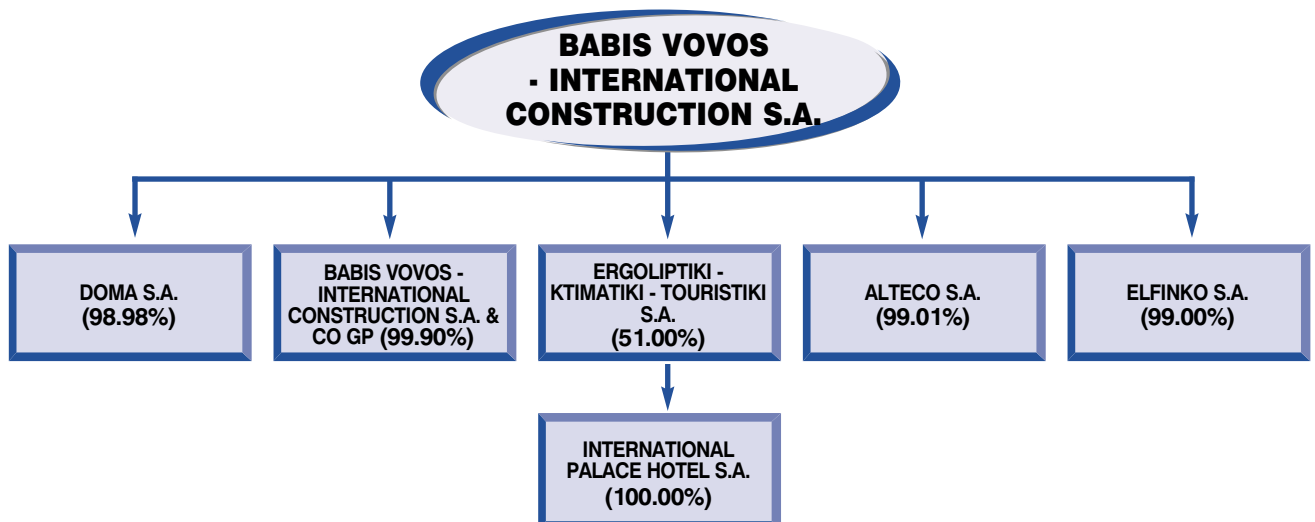
"BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A." Subsidiaries



10.1 Summary description of the Group

The Company "Babis Vovos International Construction S.A." has no majority or minority participation interests in companies or joint ventures or partnerships of any legal form, nor has a common registered address or common management or joint participating interests with another company, nor do there exist any majority control contracts or contracts bearing on the appointment of other company bodies excluding companies specifically named in this chapter.

The chart below outlines the structure of the Group "Babis Vovos International Construction S.A." All companies in which "BVIC S.A." has direct or indirect participating interests are consolidated in the financial statements of the Group, with the exception of the companies that have been wound up or have no object:



DIRECT PARTICIPATIONS AS AT 31.12.2007

Company	Share Capital (amounts in €)	Equity (amounts in € thousand)	% of shareholding
BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A & CO G.P.	29,347.03	124,970	99.90%
DOMA S.A.	3,000,000.00	11,870	98.98%
ERGOLIPTIKI-KTIMATIKI-TOURISTIKI S.A.	5,280,000.00	13,079	51.00%
ALTECO S.A.	1,033,120.00	32,039	99.01%
ELFINKO S.A.	3,489,184.00	22,439	99.00%



10.2 Subsidiaries

1. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A & Co G.P.

Year of establishment	1983
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Objectives:	The construction of buildings, either purchased by the Company or developed on the basis of the system of exchange of land for built space of equal value and the subsequent profitable sale or any type of exploitation as well as the establishment and operation of entertainment centers, restaurants, confectionery shops, coffee shops, bars, gymnasiums, sports clubs and related undertakings.

BVIC S.A, which is represented by Mr Charalambos Vovos, Mr Armodios Vovos and Mrs Thaleia Vovos, has been appointed as its director, manager, and legal representative. On December 31st, 2007, the company employed a staff of 15 individuals.

COMPANY CAPITAL			
Partners	Holdings	Nominal Value (€)	Value of Holdings (€)
BVIC S.A.	999	29.35	29,318
Charalambos Vovos	1	29.35	29
Total	1,000		29,347

According to the private Contract-Articles of Association of the company partners cannot transfer at any time and to any physical or legal person even part of their shares. An exception is made in the case of Charalambos Vovos who may transfer part or all of his shares to "BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A." should he decides so.

2. ERGOLIPTIKI-KTIMATI-KI-TOURISTIKI S.A.

Year of establishment	1978
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Objectives:	To construct buildings and to sell them for profit or to exploit them commercially. To undertake the designs, supervision and construction of construction projects of any kind. To build hotels, and guest houses and to exploit or lease them on its behalf or on behalf of third persons

On December 31st, 2007, the company employed 1 individual.

The share capital of the company amounts to € 5,280,000 divided into 750,000 common registered shares of nominal value of € 7.04 each.

The shareholding structure of the company is as follows:

Shareholder	Number of shares	% of shareholding
BVIC S.A.	382,500	51.00%
Charalambos Vovos	318,750	42.50%
Maria wife of Ch. Vovos	48,750	6.50%
Total	750,000	100.00%



The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Chalambos Vovos	Chairman & Chief Executive Officer
• Maria wife of Ch. Vovos	Vice-Chairman
• Armodios Vovos	Member of the BoD
• Thaleia Vovos	Member of the BoD
• Triada Vovos	Member of the BoD

The term of office of the company's BoD expires on 28.06.2010

3. DOMA S.A.

Year of establishment	1990
Registered office:	64 Kifissias Av. – 151 25, Maroussi
Objectives:	To undertake construction works in construction projects of any type, to acquire contractor certificates, to acquire land with a view to constructing on it any type of building, in order to sell or exploit it and to construct car parks either open or covered to be leasedor commercially exploited by it.

The share capital of the company amounts to € 3,000,000 and is divided into 100,000 common registered shares of nominal value of € 30.00 each

The shareholding structure of the company is as follows:

Shareholder	Number of shares	% of shareholding
BVIC S.A.	98,980	98.98%
Charalambos Vovos	1,020	1.02%
Total	100,000	100.00%

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Chalambos Vovos	Chairman & Chief Executive Officer
• Armodios Vovos	Vice-Chairman
• Maria wife of Ch. Vovos	Member of the BoD
• Thaleia Vovos	Member of the BoD
• Triada Vovos	Member of the BoD

The term of office of the company's BoD expires on 28.06.2009.



4. ALTECO S.A.

Year of establishment	1985
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Objectives:	The production, manufacturing, import, and marketing of electric domestic and electronic appliances and equipment as well as their installation, provision of technical assistance, maintenance, repair and after-sales service. Furthermore, the construction of commercial or recreational centers, the exploitation of the property of the company or of third parties as well as the management and exploitation of entertainment centers, restaurants, parking spaces and all other relevant undertakings. Furthermore, the acquisition, selling, leasing and concession of open or covered spaces.

The share capital of the company amounts to € 1,033,120 and is divided into 35,200 common registered shares of nominal value of € 29.35 each.

The shareholding structure of the company is as follows:

Shareholder	Number of shares	% of shareholding
BVIC S.A.	34,850	99.01%
Chaniotis Theodoros	150	0.43%
Manousiadis Antonios	200	0.56%
Total	35,200	100.00%

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Christos S. Vovos	Chairman
• Thaleia Vovos	Vice-Chairman and Chief Executive Officer
• Armodios Vovos	Chief executive officer
• Triada Vovos	Member of the BoD
• Evagelia wife of Sofianos Asimakopoulos	Member of the BoD

The term of office of the company's BoD expires on 18.01.2010.



5. ELFINKO S.A.

Year of establishment	1927
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Αντικείμενο Εργασιών:	The establishment of Financial, Commercial, Transportation, Industrial and Tourist companies, the agency undertaking of foreign companies, the participation in procurement contests, the export, import and sale of raw materials and finished goods and their storage and maintenance by own means. Additionally, the exploitation of urban or not properties and, more specifically, the construction of buildings or building complexes, commercial centres, and tourist facilities on land plots located in Greece or abroad, either owned by the company or purchased by the company, or owned by third parties with the system of exchange of land and the sale, leasing or other type of exchange of these properties. As an indication, the exploitation through finance leases, sale and leaseback contracts of the constructed, as above described, buildings, building complexes, tourist facilities at total or divided in horizontal ownerships. Additionally, the leasing of horizontal ownerships and their subleasing, the exploitation and management of entertainment centres (including theatres and cinemas), restaurants, parkings spaces and other properties of various uses.

The share capital of the company amounts to € 3,907,886.08 and is divided into 3,489,184 common registered shares of nominal value of € 1.12 each.

The shareholding structure of the company is as follows:

Shareholder	Number of shares	% of shareholding
BVIC S.A.	3,454,292	99.00%
Chaniotis Theodoros	34,892	1.00%
Total	3,489,184	100.00%

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Charalambos Vovos	Chairman and Chief Executive Officer
• Triada Vovos	Vice-Chairman
• Thaleia Vovos	Member of the BoD
• Christos S. Vovos	Member of the BoD
• Stergios Agelaris	Member of the BoD

The term of office of the company's BoD expires on 22.05.2011.



10.3 Subsidiaries of subsidiary undertakings

1. INTERNATIONAL PALACE HOTEL S.A.

Year of establishment	1972
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Objectives:	To construct and commercially exploit hotels and other tourist facilities, to participate in other companies having related objects and to construct and sell buildings on land owned by it or by third parties through the system of exchange of land for built space of equal value.

The share capital of the company amounts to € 4,002,280.38 and is divided into 1,365,966 common registered shares of nominal value of € 2.93 each.

The shareholding structure of the company is as follows:

Shareholder	Number of shares	% of shareholding
ERGOLIPTIKI-KTIMATIKH-TOURISTIKI S.A.	1,365,966	100.00%
Total	1,365,966	100.00%

The Board of Directors is as follows:

BOARD OF DIRECTORS	
• Chalambos Vovos	Chairman & Chief Executive Officer
• Armodios Vovos	Vice-Chairman
• Maria wife of Ch. Vovos	Member of the BoD
• Thaleia Vovos	Member of the BoD
• Triada Vovos	Member of the BoD

The term of office of the company's BoD expires on 26.06.2008

During the last five years, the company has no significant business activity.



10.4 Intragroup Transactions

The tables below show intragroup sales, intracompany balances of receivables / payables, between Babis Vovos International Construction S.A and related companies in the fiscal year 2007.

TABLE OF RELATED PARTIES' TRANSACTIONS 2007 (amounts in thousand €)

AT FROM	Babis Vovos - International Construction S.A.	Babis Vovos - International Construction S.A. & Co G.P.	Ergoliptiki - Ktimatiki - Touristiki S.A.	International Palace Hotel S.A.	DOMA S.A.	ALTECO S.A.	ELFINKO S.A.	Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	Innovative Buildings S.A.	Promise Cafe Ltd.	The Greek Coffee Company S.A.	Positive Ltd.	International Construction S.A. - Boretos &Co G.P.	Marvo S.A.
Babis Vovos - International Construction S.A.		15	-	-	-	-	-	-	-	-	-	-	-	-
Babis Vovos - International Construction S.A. & Co G.P.	244		1	1	3	1	9	-	3	26	134	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-		-	-	-	-	-	-	-	-	-	-	-
International Palace Hotel S.A.	-	-	-		-	-	-	-	-	-	-	-	-	-
DOMA S.A.	-	-	-	-		-	-	-	-	-	-	-	-	-
ALTECO S.A.	-	-	-	-	-		-	-	-	-	-	-	-	-
ELFINKO S.A.	-	-	-	-	-	-		-	-	-	-	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	-	-	-	-	-	-	-		-	-	-	-	-	-
Innovative Buildings S.A.	-	-	-	-	-	-	-	-		-	-	-	-	-
Promise Cafe Ltd.	-	-	-	-	-	-	-	-	-		-	-	-	-
The Greek Coffee Company S.A.	-	-	-	-	-	-	-	-	-	-		-	-	-
Positive Ltd.	-	-	-	-	-	-	-	-	-	-	-		-	-
International Construction S.A. - Boretos &Co G.P.	-	-	-	-	-	-	-	-	-	-	-	-		-
Marvo S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	



TABLE OF RELATED PARTIES' BALANCES AS AT 31/12/2007 (amounts in thousand €)

	Babis Vovos - International Construction S.A.	Babis Vovos - International Construction S.A. & Co G.P.	Ergoliptiki - Ktimatiki - Touristiki S.A.	International Palace Hotel S.A.	DOMA S.A.	ALTECO S.A.	ELFINKO S.A.	Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	Innovative Buildings S.A.	Promise Cafe Ltd.	The Greek Coffee Company S.A.	Positive Ltd.	International Construction S.A. - Boretos & Co G.P.	Marvo S.A.
PAYABLE														
RECEIVABLE														
Babis Vovos - International Construction S.A.		42,016	956	-	-	-	-	5,036	1	-	128	490	48	5
Babis Vovos - International Construction S.A. & Co G.P.	-		-	-	-	-	-	-	-	7	-	10	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-		-	-	-	-	5,988	-	-	-	-	-	-
International Palace Hotel S.A.	3,850	-	-		-	-	-	-	-	-	-	-	-	-
DOMA S.A.	8,626	72	-	-		-	-	-	-	-	-	-	-	-
ALTECO S.A.	10,270	-	-	-	-		-	-	-	-	-	-	-	-
ELFINKO S.A.	16,398	1	-	-	-	-		-	-	-	-	-	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co G.P.	-	-	-	-	-	-	-		-	-	-	-	-	-
Innovative Buildings S.A.	-	-	-	-	-	-	-	-		-	-	-	-	-
Promise Cafe Ltd.	-	-	-	-	-	-	-	-	-		-	-	-	-
The Greek Coffee Company S.A.	-	1	-	-	-	-	-	-	-	-		-	-	-
Positive Ltd.	-	-	-	-	-	-	-	-	-	-	-		-	-
International Construction S.A. - Boretos & Co G.P.	-	-	-	-	-	-	-	-	-	-	-	-		-
Marvo S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	

During the fiscal year 2007, there have been no transactions other than the intra-company balances presented above, between Babis Vovos International Construction S.A and related parties above.



2. ERGOLIPTIKI-KTIMATIKI-TOURISTIKI S.A & Co. Ltd

Year of establishment	1990
Registered office:	340 Kifissias Av. – 154 51, N. Psychiko
Objectives:	To construct buildings multi-storey or not on land located in Greece, either acquired by the company or developed on the basis of the system of exchange of land for built space of equal value and to sell them for a profit or to exploit them in general. In view of attaining or in general facilitating the attainment of its object, it has the power to furnish securities to third physical or legal persons.

The share capital of the company amounts to € 2,934.70 and its partners are the following:

Partner	% of holding
ERGOLIPTIKI-KTIMATIKI-TOURISTIKI S.A.	95.00%
Maria wife of Ch. Vovos	5.00%
Total	100.00%

The company "ERGOLIPTIKI – KTIMATIKI– TOURISTIKI S.A." has been appointed as its director, manager and legal representative of the former. The latter, however, is controlled by BVIC SA which holds 51% of its shares. Therefore, "ERGOLIPTIKI – KTIMATIKI – TOURISTIKI S.A. & Co Ltd" is actually managed by BVIC S.A.

It is noted that the company has no significant business activities. In case it does, it will be required to maintain status C' Books of B.R.C. and its financial statements will be consolidated with those of the company.

11

Share Data





11.1 Share Data

The shares of the Company were listed in the Main Market of the Athens Stock Exchange on 30/05/2001. The share of the Company "Babis Vovos International Construction S.A." has been classified in the sector of "Real Estate Holding & Development" of the Daily Official List Announcements of Athens Stock Exchange.

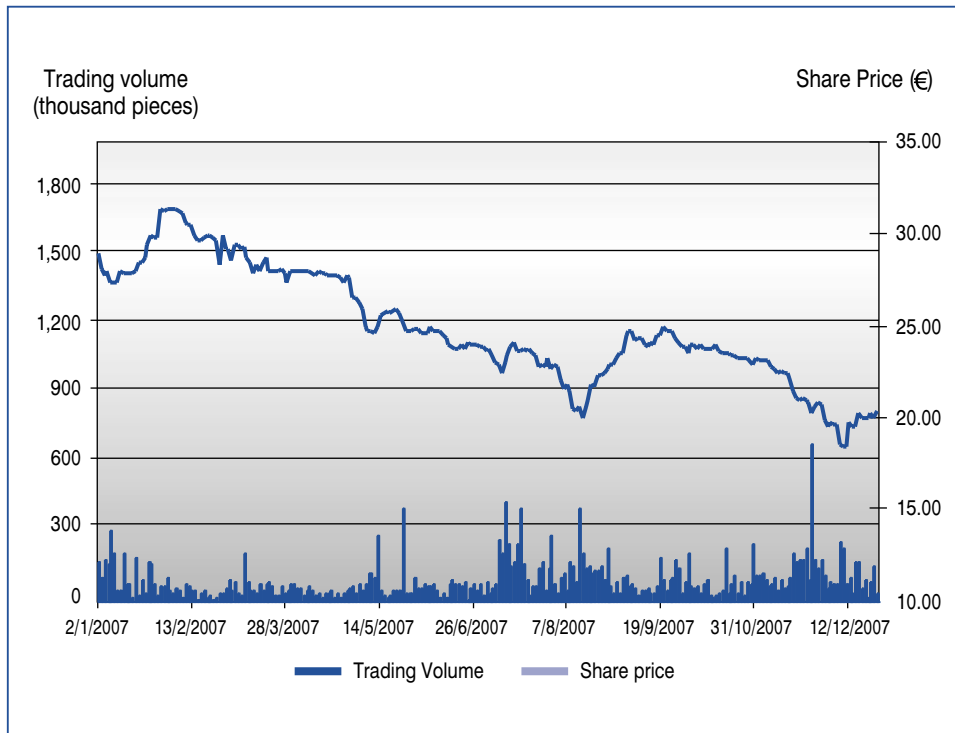
The share participates in the following indexes:

- as of 01.12.2001 in the FTSE/Athex Mid 40,
- as of 02.05.2002 in the General Index of Athex,
- as of 30.05.2003 in the MSCI Small Cap Greece,
- as of 19.06.2003 in the FTSE Med 100,
- as of 01.04.2004 in the index EPRA / NAREIT,
- as of 30.09.2004 in the index Eurobank Mid Cap Private Sector 50 Index (EPSI50) and
- as of 02.01.2006 in the index FTSE/Athex International

The table below presents statistical data concerning the share closing price at the end of the month and the monthly trading volume for the period 02.01.2007 to 31.12.2007.

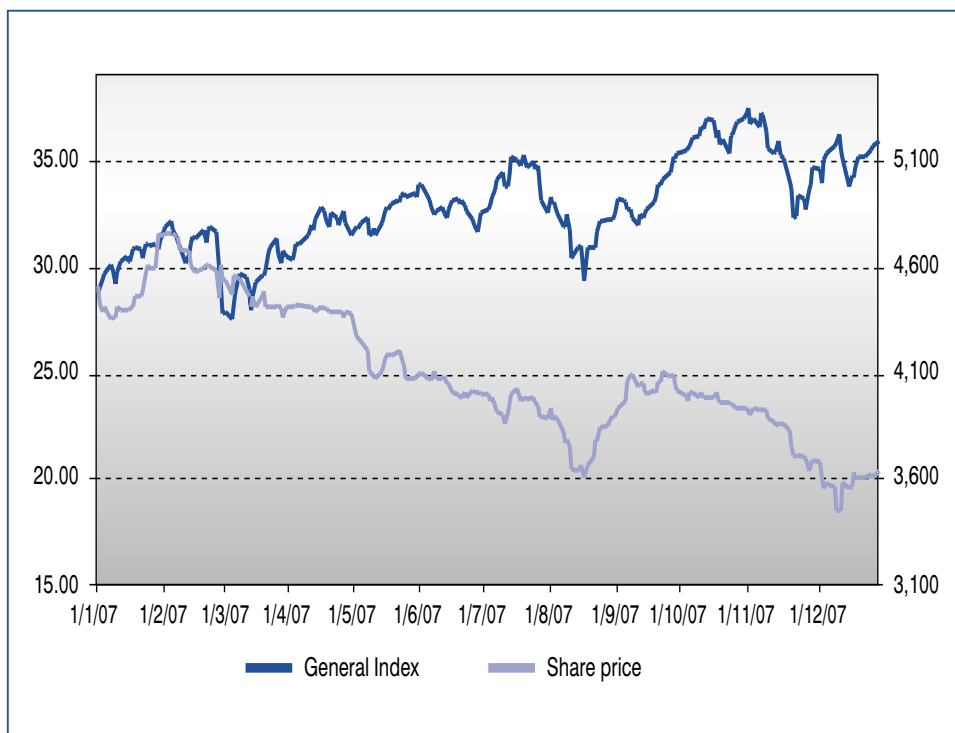
SHARE DATA					
Month	Share closing price at the end of month (in €)	Total monthly trading share volume (in pieces)	Closing price of the general index at the end of month (units)	Closing price of the Index FTSE/Athex Mid 40 at the end of month (units)	Closing price of the EPRA/NAREIT Europe Index at the end of month (units)
January 2007	31.40	2,584,481	4,710.24	5,576.53	2,983.81
February 2007	29.98	811,388	4,503.96	5,547.61	2,965.88
March 2007	28.00	1,448,188	4,643.14	5,827.79	3,050.57
April 2007	27.66	852,552	4,736.83	6,029.38	2,923.91
May 2007	24.84	1,861,731	4,972.19	6,265.68	2,918.65
June 2007	23.90	1,298,186	4,843.78	6,305.76	2,642.98
July 2007	23.30	3,401,282	4,917.50	6,594.92	2,444.68
August 2007	23.24	3,106,462	4,912.53	6,330.81	2,491.02
September 2007	24.12	1,669,015	5,123.36	6,604.30	2,353.30
October 2007	23.14	1,714,478	5,334.50	6,807.99	2,299.52
November 2007	20.80	3,450,654	5,053.87	6,162.85	2,077.07
December 2007	20.36	2,136,212	5,178.83	6,264.66	1,985.24

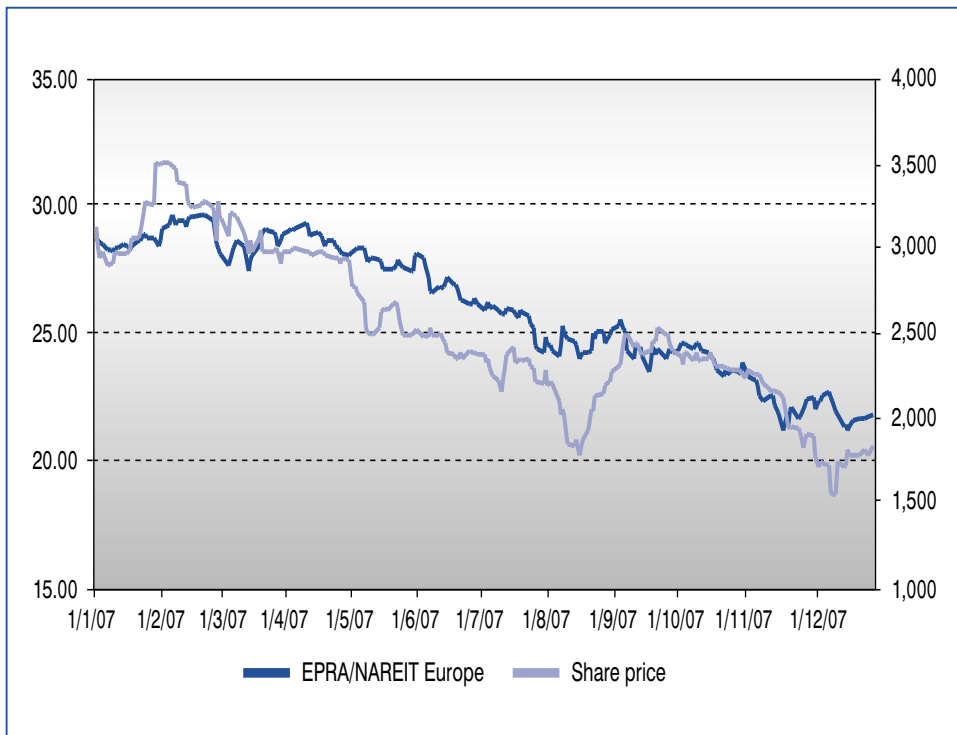
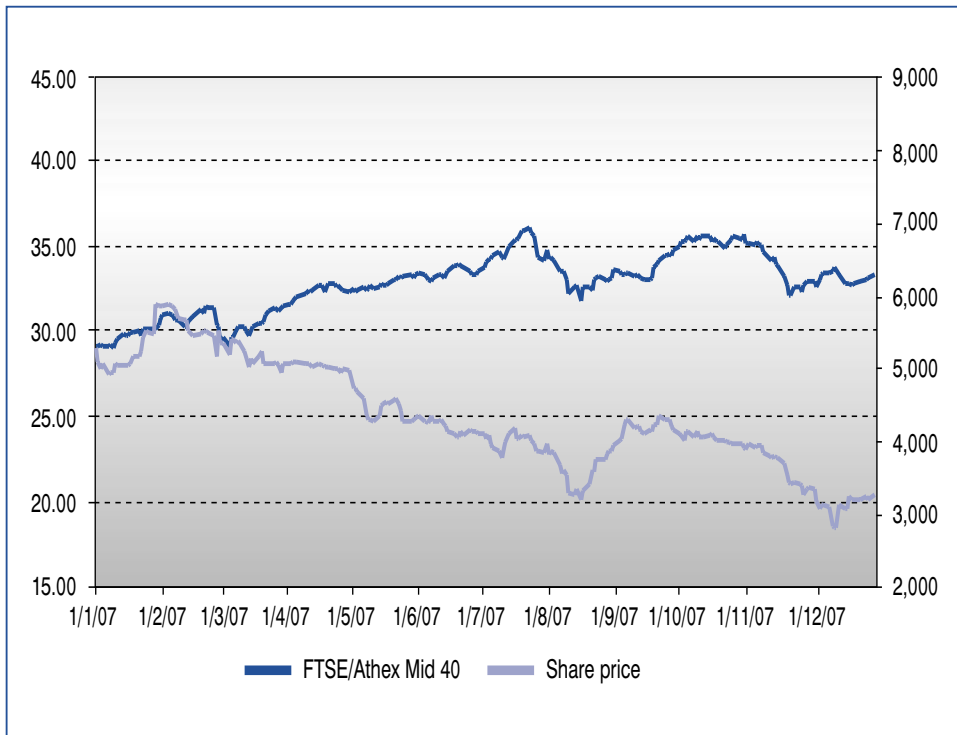
The chart below presents the course of the Company's share price and the daily trading volume for the period 02.01.2007 to 31.12.2007.



The highest closing price of the Company's share for the year 2007 was recorded on 30.01.2007 and on 05.02.2007 was € 31.50, while the lowest price for the year was € 18.44 and was recorded on 12.12.2007 and on 13.12.2007. The average share price for the year 2007 was € 24.98.

The charts below present the course of the Company's share price in relation to Athex General Index, to FTSE/Athex Mid 40 and to EPRA/NAREIT Europe for the period 02.01.2007 to 31.12.2007.





It is noted that the data per share are presented in Chapter 7 "FINANCIAL OVERVIEW" of the present Annual Report.



11.2

Financial calendar for 2008

- **31/03/2008:** Release of Fiscal Year 2007 Financial Statements.
- **02/04/2008:** Conference Call for the Fiscal Year 2007 Financial Statements.
- **30/05/2008:** Release of first quarter 2008 Financial Statements.
- **27/06/2008:** Annual General Meeting of Shareholders.
- **29/08/2008:** Release of first semester 2008 Financial Statements.
- **28/11/2008:** Release of third quarter 2008 Financial Statements.

No dividend payment will take place for the fiscal year 2007.

12

Financial Statements



To the Shareholders of the BABIS VOVOS SA**Report on the Financial Statements**

We have audited the accompanying financial statements of Babis Vovos SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the company and consolidated balance sheet as of 31 December 2007 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2007, 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.

Without qualifying our opinion, we draw your attention to Note 31 of the financial statements, which refers to the open tax years of the Group Companies and to the fact that additional taxes and penalties maybe imposed when the tax returns relating to this year are audited by the tax authorities.

Reference to Other Legal and Regulatory Requirements

The Board of Directors' Report contains all information required by articles 43a paragraph 3, 16 paragraph 9 and 107 paragraph 3 of Law 2190/1920 and article 11a of Law 3371/2005, and is consistent with the financial statements referred to in the preceding paragraph.

Athens, March 30, 2008

PRICEWATERHOUSECOOPERS

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.

Figures and information for the fiscal year of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards)

The figures illustrated below provide summary information about the financial position and results of Babis Vovos International Construction S.A. and the Group. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Accounting Standards, as well as the auditors' report. Suggestively the reader can access the company's web site address where the above mentioned information is listed.

Registered Address: 340 Kifissias Avenue, 154 51 Neo Psychiko

Company's No. in the register of Societies Anonymes : 229306B/86/12

Board of Directors: Charalampos Vovos Chairman, Thalela Vovos Vice-Chairman, Armodios Vovos Chief Executive Officer, Triada Vovos, Evangelia Asimakopoulou, Nicolas Van Ommen, Kyriaki - Thalela (Korina) Sylira - Members

Date of approval of the Interim Financial Statements (from which the summary data were derived): March 28th, 2008

Certified Auditor Accountant: Marlos Psaltis (SOEL Reg. No. 38081)

Auditing Firm: PricewaterhouseCoopers S.A. (SOEL Reg. No. 113)

Type of auditor's opinion: Unqualified opinion - emphasis of matter

Company Web site: www.babisvovos.com

BALANCE SHEET (consolidated and company data)				
	Amounts in € thousand		Amounts in € thousand	
	CONSOLIDATED		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS				
Investment property & Property, plant and equipment	1,242,347	1,219,157	829,277	800,411
Intangible assets	18,934	18,974	16,506	16,546
Inventories	31,888	29,120	35,085	25,354
Trade & other receivables	37,212	40,406	67,866	64,157
Cash and cash equivalents	92,706	71,509	76,429	46,627
Other Assets	576	277	48,241	47,548
TOTAL ASSETS	1,423,644	1,379,444	1,073,404	1,000,644
EQUITY AND LIABILITIES				
Long-term borrowings	535,096	412,405	423,356	281,856
Deferred income tax long term liabilities	147,558	153,951	91,680	95,358
Other long term liabilities	23,049	21,407	27,829	20,341
Short-term borrowings	97,254	131,977	46,373	100,017
Other short term liabilities	83,766	115,026	141,179	159,586
Total Liabilities (a)	886,723	834,766	724,416	656,989
Share capital	10,179	10,179	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders	519,721	527,193	338,809	333,506
Capital and reserves attributable to the Company's equity holders (b)	529,900	537,372	348,988	343,685
Minority interest (c)	7,020	7,306	-	-
Total equity (d)=(a)+(b)	536,920	544,678	348,988	343,685
TOTAL EQUITY & LIABILITIES	(a)+(b)+(c)	1,423,644	1,073,404	1,000,644

CHANGES IN EQUITY (consolidated and company data)				
	Amounts in € thousand		Amounts in € thousand	
	CONSOLIDATED		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	544,678	472,626	343,685	390,813
Minority interests from business combinations	-	231	-	-
Profit Distribution after approval by AGM	-	(13,572)	-	(13,572)
Retained earnings	(7,758)	85,394	5,303	(33,556)
Equity balance (31/12/2007 and 31/12/2006 respectively)	536,920	544,678	348,988	343,685

CASH FLOW STATEMENT (consolidated and company data)				
	Amounts in € thousand		Amounts in € thousand	
	CONSOLIDATED		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Operating activities				
Net profit before tax	(11,645)	119,433	3,680	(30,908)
Adjustments for:				
Depreciation and amortisation	551	471	399	343
Interest expenses / (revenues)	38,822	18,618	26,174	19,226
Provisions	939	5,418	145	3,410
Results (revenues, expenses, profit, loss) from investment activities	(8,615)	(130,614)	(19,782)	15,775
Cash generated from operating activities before changes in working capital	19,052	13,127	10,615	7,846
Decrease / (increase) of inventory	5,798	(9,770)	5,620	(9,347)
Decrease / (increase) in trade & other receivables	1,382	2,134	(5,089)	18,746
Increase / (decrease) in short term liabilities (bank liabilities not included)	(8,258)	37,411	(465)	58,005
Cash flows from operating activities	17,974	42,901	10,681	75,250
Interest paid	(40,919)	(27,048)	(27,370)	(21,048)
Income tax paid	(2,296)	(7,699)	(2,660)	(5,371)
Net cash generated from operating activities (a)	(25,241)	8,754	(19,349)	48,831
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	-	(22,711)	-	(22,825)
Additions in investment property, Property, plant and equipment & intangible assets	(25,488)	(125,202)	(21,083)	(62,912)
Proceeds from sale of investment property and Property, plant and equipment	1	851	1	1
Interest received	6,296	10,044	5,626	2,584
Decrease / (Increase) of other short-term assets	-	-	-	-
Net cash used in investing activities (b)	(19,192)	(137,018)	(15,457)	(83,152)
Cash flows from financing activities				
Proceeds from disposal of other investments	-	-	-	-
Inflows from derivatives	5,630	3,758	5,630	3,758
Borrowings payback	(68,955)	(59,191)	(69,041)	(46,419)
Borrowings inflows	157,340	187,858	156,940	103,987
Increase / (Decrease) of other short-term financing	(26,216)	31,423	(26,751)	23,585
Dividend paid	(2,170)	(13,578)	(2,170)	(13,578)
Net cash used in financing activities (c)	65,629	150,269	64,608	71,333
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	21,196	21,405	29,802	37,012
Cash and cash equivalents at beginning of the year	71,509	50,104	46,627	9,615
Cash and cash equivalents at end of the year	92,706	71,509	76,429	46,627

INCOME STATEMENT (consolidated and company data)				
	Amounts in € thousand		Amounts in € thousand	
	CONSOLIDATED		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Total Revenue	101,293	56,077	87,563	46,121
Gross profit / (loss)	27,387	15,363	18,938	12,309
Earnings / (loss) before interest, tax, depreciation and amortisation	23,501	145,667	32,592	14,952
Earnings / (loss) before interest and tax	22,950	145,195	32,193	14,609
Profit / (loss) before taxation - total	(11,645)	119,433	3,680	(30,908)
Minus: Taxation	3,867	(34,039)	1,823	(2,649)
Net Profit / (loss) for the year - total	(7,758)	85,394	5,303	(33,556)
Attributable to:				
Equity holders of the Company	(7,472)	86,187	5,303	(33,556)
Minority interest	(286)	(793)	-	-
	(7,758)	85,394	5,303	(33,556)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)				
	(0.22)	2.54	0.16	(0.99)

Additional data - Information:

- Group companies that are included in the consolidated financial statements with their respective registered office and percentage of ownership are as follows:
Full Consolidation method
a. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.
Registered office: 340 Kifissias Avenue, Athens. Parent
b. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P.
Registered office: 340 Kifissias Avenue, Athens. 99.90%
c. DOMA S.A.
Registered office: 64 Kifissias Avenue, Athens. 98.98%
d. ALTECO S.A.
Registered office: 340 Kifissias Avenue, Athens. 99.01%
e. ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A.
Registered office: 340 Kifissias Avenue, Athens. 51.00%
f. INTERNATIONAL PALACE HOTEL S.A.
Included in the consolidation with 51% percentage of ownership through " ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A." which owns 100% of its share capital. Registered office: 340 Kifissias Avenue, Athens.
g. ELFINKO S.A.
Registered office: 340 Kifissias Avenue, Athens. 99.00%
- The companies included in the consolidation have been tax audited as follows: the parent company 'Babis Vovos International Construction S.A.' up to the fiscal year 2006, 'Babis Vovos International Construction S.A. & Co G.P.' up to the fiscal year 2002, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2002, 'DOMA S.A.' up to the fiscal year 1998, 'INTERNATIONAL PALACE HOTEL S.A.' up to the fiscal year 2002, 'ALTECO S.A.' up to the fiscal year 1998 and 'ELFINKO S.A.' up to the fiscal year 2004.
- The Group and Company's property, plant and equipment and Investment properties, as well as inventories and intangible assets, include mortgage amounts to the value of Euro 310,150,524 for the Group and Euro 221,729,041 for the company to secure borrowings (including sale and leaseback agreements), as at 31/12/2007.
- At 31/12/2007, there were pending court decisions over injunctions filed against the Group and the Company from third parties, for which a total provision of € 867 thousand and € 417 thousand for the Group and the Company respectively was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur.
- Number of employees at the end of year (31/12/2007): Group 521 individuals, Parent company 505 individuals (31/12/2006: Group: 492, Parent Company: 386)
- Related party transactions at 31/12/2007:

	CONSOLIDATED	COMPANY
i) Sales of goods and services		
Sales of goods		
Babis Vovos International Construction S.A. & Co G.P.	-	15
Key management personnel	558	558
	558	573
Sales of services		
Innovative Buildings S.A	3	-
Promise Cafe Ltd.	26	-
The Greek Coffee Company S.A.	134	-
	163	-
ii) Purchases of goods and services		
Purchases of goods		
Babis Vovos International Construction S.A. & Co G.P.	-	124
Purchases of services		
Babis Vovos International Construction S.A. & Co G.P.	-	121
Services of key management personnel	1,410	1,115
	1,410	1,236
iii) Key management compensation	1,350	1,350
iv) Receivables from related parties		
Babis Vovos International Construction S.A. & Co G.P.	-	42,016
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	956
Innovative Buildings S.A	1	1
Positive Ltd	499	490
International Construction S.A. - Boretos & Co G.P.	48	48
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co Ltd	11,024	5,036
Marvo S.A	5	5
Promise Cafe Ltd.	7	-
The Greek Coffee Company S.A.	128	128
Key management personnel	598	598
	12,309	49,277
v) Payables to related parties		
Domis S.A.	-	8,626
International Palace Hotel S.A.	-	3,850
Alteco S.A.	-	10,270
Elfinko S.A.	-	18,388
The Greek Coffee Company S.A.	1	-
Key management personnel	12,580	2,870
	12,580	42,014
- Turnover Analysis according to STAKOD-2003:

	CONSOLIDATED		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Code 701.1 Development and sale of real estate:	55,674	15,559	55,674	14,709
Code 702.0 Leasing of private real estate:	44,060	39,050	30,587	29,840
Code 452.1 Construction of buildings and civil engineer technical works:	1,310	1,468	1,037	1,470
Code 515.3 Wholesale trade of wood, building material and sanitary goods:	-	0	15	104
Code 501.0 Trade of cars - vehicles:	-	-	-	-
Code 515.7 Wholesale trade of scrap:	50	-	50	-



12.3

Consolidated and Company financial statements of "Babis Vovos International Construction S.A."

BALANCE SHEET

All amounts in Euro thousands

		Consolidated		Company	
	Note	31 December 2007	31 December 2006	31 December 2007	31 December 2006
ASSETS					
Non-current assets					
Investment property	6	1,231,727	1,194,706	827,569	785,039
Property, plant and equipment	7	10,620	24,450	1,708	15,372
Intangible assets	8	18,934	18,974	16,506	16,546
Investments	9	18	18	47,871	47,477
Other non-current receivables	12	558	259	370	71
		<u>1,261,858</u>	<u>1,238,408</u>	<u>894,024</u>	<u>864,505</u>
Current assets					
Inventories	11	31,868	29,120	35,085	25,354
Trade and other receivables	12	37,212	40,406	67,866	64,157
Cash and cash equivalents	13	92,706	71,509	76,429	46,627
		<u>161,786</u>	<u>141,036</u>	<u>179,381</u>	<u>136,138</u>
Total assets		<u>1,423,644</u>	<u>1,379,444</u>	<u>1,073,404</u>	<u>1,000,644</u>
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital	14	46,832	46,832	46,832	46,832
Reserves	15	23,053	23,053	25,244	25,244
Retained earnings		460,015	467,487	276,912	271,609
		<u>529,900</u>	<u>537,372</u>	<u>348,988</u>	<u>343,685</u>
Minority interest		7,020	7,306	-	-
Total equity		<u>536,920</u>	<u>544,678</u>	<u>348,988</u>	<u>343,685</u>
LIABILITIES					
Non-current liabilities					
Borrowings	16	535,096	412,405	423,356	281,656
Deferred income tax liabilities	17	147,558	153,951	91,680	95,358
Retirement benefit obligations	18	2,246	1,797	2,113	1,617
Derivative liabilities	20	17,145	15,868	17,145	15,868
Other non-current liabilities	19	3,658	3,742	2,571	2,856
		<u>705,703</u>	<u>587,763</u>	<u>536,865</u>	<u>397,356</u>
Current liabilities					
Trade and other payables	19	74,055	103,410	134,159	149,897
Income tax		5,257	5,047	3,015	3,620
Borrowings	16	97,254	131,977	46,373	100,017
Dividend payable		459	2,628	459	2,628
Provisions for other liabilities & expenses	21	867	937	417	437
Derivative liabilities	20	3,129	3,004	3,129	3,004
		<u>181,020</u>	<u>247,002</u>	<u>187,551</u>	<u>259,604</u>
Total liabilities		<u>886,723</u>	<u>834,766</u>	<u>724,416</u>	<u>656,959</u>
Total equity and liabilities		<u>1,423,644</u>	<u>1,379,444</u>	<u>1,073,404</u>	<u>1,000,644</u>

The notes on pages 74 to page 127 are an integral part of these consolidated financial statements.



INCOME STATEMENT					
<i>All amounts in Euro thousands</i>					
		Consolidated		Company	
	Note	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Revenue	22	101,293	56,077	87,563	46,121
Cost of sales	23	(73,906)	(40,714)	(68,625)	(33,812)
Gross profit		27,387	15,363	18,938	12,309
Net gain from fair value adjustment on investment property	6	5,388	138,905	22,121	10,515
Selling and marketing costs	23	(986)	(472)	(849)	(393)
Administrative expenses	23	(9,226)	(10,643)	(7,219)	(7,861)
Other gains	24	1,469	3,186	157	553
Other expenses	24	(1,082)	(1,143)	(955)	(515)
Operating profit		22,950	145,195	32,193	14,609
Gain / (Loss) from investment in subsidiaries	9	-	-	(6,567)	(19,146)
Finance revenue		11,461	11,118	10,779	3,595
Finance expenses		(46,056)	(36,881)	(32,726)	(29,966)
Finance expenses (net)	25	(34,595)	(25,763)	(21,946)	(26,370)
Profit before income tax		(11,645)	119,433	3,680	(30,908)
Income tax expense	27	3,887	(34,039)	1,623	(2,649)
Profit for the year		(7,758)	85,394	5,303	(33,556)
Attributable to:					
Equity holders of the Company		(7,472)	86,187	5,303	(33,556)
Minority interest		(286)	(793)	-	-
		(7,758)	85,394	5,303	(33,556)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	28	(0.22)	2.54	0.16	(0.99)

STATEMENT OF CHANGES IN EQUITY						
Consolidated statement of changes in equity						
<i>All amounts in Euro thousands</i>						
		Attributable to equity holders of the Group			Minority interest	Total equity
	Note	Share capital	Other reserves	Retained earnings		
Balance at 1 January 2006		46,832	23,053	394,872	7,868	472,626
Profit for the year		-	-	86,187	(793)	85,394
Dividend relating to 2005		-	-	(13,572)	-	(13,572)
Business combinations	34	-	-	-	231	231
Balance at 31 December 2006		<u>46,832</u>	<u>23,053</u>	<u>467,487</u>	<u>7,306</u>	544,678
Profit / (loss) for the year		-	-	(7,472)	(286)	(7,758)
Balance at 31 December 2007		<u>46,832</u>	<u>23,053</u>	<u>460,015</u>	<u>7,020</u>	536,920
Company statement of changes in equity						
<i>All amounts in Euro thousands</i>						
		Attributable to equity holders of the Company			Total equity	
		Share capital	Other reserves	Retained earnings		
Balance at 1 January 2006		46,832	25,244	318,737	390,813	
Profit for the year		-	-	(33,556)	(33,556)	
Dividend relating to 2005		-	-	(13,572)	(13,572)	
Balance at 31 December 2006		<u>46,832</u>	<u>25,244</u>	<u>271,609</u>	343,685	
Profit / (loss) for the year		-	-	5,303	5,303	
Balance at 31 December 2007		<u>46,832</u>	<u>25,244</u>	<u>276,912</u>	348,988	

The notes on pages 74 to page 127 are an integral part of these consolidated financial statements.



CASH FLOW STATEMENT

<i>All amounts in Euro thousands</i>					
		Consolidated		Company	
	Note	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
<u>Cash flows from operating activities</u>					
Cash generated from operations	30	17,974	42,901	10,681	75,250
Interest paid		(40,919)	(27,048)	(27,370)	(21,048)
Income tax paid		(2,296)	(7,699)	(2,660)	(5,371)
Net cash generated from operating activities		(25,241)	8,154	(19,349)	48,831
<u>Cash flows from investing activities</u>					
Acquisition of subsidiary, net of cash acquired	34	-	(22,711)	-	(22,825)
Additions in investment property (acquisitions & development)	6	(25,159)	(124,527)	(20,755)	(62,636)
Proceeds from sale of investment property	30	-	850	-	-
Additions in property, plant and equipment & intangible assets	7,8	(329)	(675)	(329)	(276)
Proceeds from sale of property, plant and equipment	30	1	1	1	1
Interest inflow		6,296	10,044	5,626	2,584
Net cash used in investing activities		(19,192)	(137,018)	(15,457)	(83,152)
<u>Cash flows from financing activities</u>					
Inflows / (outflows) - derivatives		5,630	3,758	5,630	3,758
Borrowings inflows		157,340	187,858	156,940	103,987
Borrowings payback		(68,955)	(59,191)	(69,041)	(46,419)
Increase / (Decrease) of other short - term financing		(26,216)	31,423	(26,751)	23,585
Dividends paid to the Company's shareholders	29	(2,170)	(13,578)	(2,170)	(13,578)
Net cash used in financing activities		65,629	150,269	64,608	71,333
Net increase / (decrease) in cash and cash equivalents		21,196	21,405	29,802	37,012
Cash and cash equivalents at beginning of the year		71,509	50,104	46,627	9,615
Cash and cash equivalents at end of the year	13	92,706	71,509	76,429	46,627

The notes on pages 74 to page 127 are an integral part of these consolidated financial statements.

Notes to the financial statements

1. General information

The financial statements include the financial statements of Babis Vovos International Construction S.A. ("Company") and the consolidated financial statements of the group which include financial statements of the company and its subsidiaries (together "BVIC" or "Group") for the year ended 31 December 2007 under the International Financial Reporting Standards ("IFRS"). The subsidiaries are provided in Note 9.

The Group is a real estate development and management group with activities in Greece. It is principally involved in developing, managing and leasing out investment property under operating leases.

The Company is incorporated and domiciled in Greece and the address of its registered office as well as its headquarters are located at Kifissias Avenue 340, N. Psychiko 154 51, Greece. The Group operates in Greece.

The company website is www.babisvovos.com.



The shares of the Company are listed on the Athens Stock Exchange.

The financial statements of the Company and the Group for the year ended 31 December 2007 have been approved for issue by the Board of Directors on March 28th, 2008.

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

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), including International Reporting Standards (“IAS”), and the interpretations issued by the International Financial Reporting Interpretations Committee, that have been adopted by the European Union (“EU”), and IFRS that have been issued by the International Accounting Standards Board (“IASB”).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company’s accounting policies. Moreover, it is required the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting year. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the real results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2. New standards, interpretations and amendments to published standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:



Standards effective for 2007

- ***IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures***

This standard and amendment introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other payables. The pronouncements of this standard have been applied in the preparation of these financial statements.

Interpretations effective for 2007

- ***IFRIC 7 - Applying the Restatement Approach under IAS 29***

This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group companies operate in a hyperinflationary economy this interpretation does not affect the Group's financial statements.

- ***IFRIC 8 - Scope of IFRS 2***

This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group's financial statements.

- ***IFRIC 9 - Reassessment of Embedded Derivatives***

This interpretation requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation is not relevant to the Group's operations.

- ***IFRIC 10 - Interim Financial Reporting and Impairment***

This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group's financial statements for the current interim period.

Standards effective after 1 January 2008

- ***IFRS 8 - Operating Segments***

This standard is effective for annual periods beginning on or after 1 January 2009 and supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group will apply IFRS 8 from 1 January 2009.



- **IAS 23 – Borrowing Costs**

This standard is effective for annual periods beginning on or after 1 January 2009 and replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009.

Interpretations effective after 1 January 2008

- **IFRIC 11 - IFRS 2: Group and Treasury share transactions**

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

- **IFRIC 12 - Service Concession Arrangements**

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

- **IFRIC 13 - Customer loyalty programmes**

This interpretation is effective for any opinions beginning on or after 1 July 2008 and clarifies the treatment of entities that grant loyalty awards, credits such as 'points' and 'travel miles' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

- **IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

2.3. Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 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 another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that 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 as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Changes of the Group's ownership interest in subsidiaries are considered transactions between the shareholders and consequently are recorded as equity transactions.

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

The Company in its individual financial statements carry the investments in subsidiaries at cost less impairment.

2.4. Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The classification in primary and secondary segment was based on the type and source of Group's activities and revenues. As a result the Group has classified the business segment analysis as primary while the geographical segment analysis as secondary.

2.5. Foreign currency translation

(a) Functional and presentation currency

All Group companies operate in Greece and measure all items included in their financial statements using the euro which is 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 the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. No material transactions or balances exist in currencies other than the euro.

2.6. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, land held under operating lease and buildings held under finance lease.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

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 Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Group and are performed by an independent valuator of Colliers International S.A. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured 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 that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; 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 Group and the cost of the item can be measured reliably. All other 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.



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. Property that is being constructed or developed for future use as investment property is classified as property plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

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.

2.7. Property plant and equipment

All property plant and equipment is stated at historical cost less depreciation and less any cumulative impairment losses. 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the asset's estimated useful lives, as follows:

– Land	Nil
– Buildings	50 - 60 years
– Mechanical equipment	5 - 7 years
– Vehicles	5 - 7 years
– Fixtures and fittings	3 - 5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at least at 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 (Note 2.9 below).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.



2.8. Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 5 years).

Rights for use of building coefficient

The rights to use building coefficient are carried at cost. The cost includes the actual cost incurred to acquire these rights, and the cost of land apportioned to rights of building coefficients not utilised with existing development. These are expected to be utilised when the relevant legislation is enacted that will enable their transfer.

The rights of use of building coefficient are considered as indefinite lived assets and they are not amortised. Instead they are subject to annual test for impairment.

The owner of either (i) a plot of land (whether or not it has been developed) which is compulsorily acquired by a government entity or local municipality or (ii) a building which is classified by the Ministry of Culture or the Ministry of Environment, Urban Planning and Public Works (“YPEHODE”) as being of particular historical or cultural importance may obtain the right to transfer to another plot of land or building within certain designated areas (and subject always to local planning restrictions) any building rights which are unused due to such listing classification or compulsory acquisition.

This right, which is known as a “building coefficient transfer” right was introduced in 1979 pursuant to Law 880/1979. However, a series of Council of State (the highest Greek administrative court) decisions in the 1990s repealed Law 880/1979 (and Law 2300/1995 which had instituted a revised building coefficient transfer regime) as being contrary to Article 24 of the Greek Constitution which obliges the Greek State to protect the environment and provide effective urban planning. Law 3044/2002 was subsequently introduced to clarify the situation and permit building coefficient transfer in certain prescribed circumstances including the requirement that such building coefficient transfer can only occur in certain designated areas and, inter alia, only after the urban planning department for the prefecture in which the transferee property is situated, has consented to the transfer.

Currently the right to transfer unused building rights has not been brought into force since Law 3044/2002 requires certain ministerial decisions, environmental audits and/or local municipalities’ decisions to come into effect before its application is possible in practice. In addition, a recent Council of State decision (No.569/2004) froze, on the ground that certain sections of Law 3044/2002 were unconstitutional, the implementation of a February 2004 ministerial decision which permitted Law 3044/2002 to be used to transfer unused building rights in the Athens, Thessaloniki and Maroussi municipalities. Recently, a new Council of State decision (No.2366/2007) was issued according to which only some of the provisions of Law 3044/2002 were unconstitutional (article 5 par.4 for definition of “Zones of Coefficient Buying” according to the provisions of Law 880/79) while the transfer of Building Coefficient into property located into “Zones of Acceptance” was defined as non-opposed to the Constitution (article 4 par 1 of Law 3044/2002). Under the context of the above decision, Law 3044/2002 is definitely



considered as effective and the process of transferring building coefficient into pre-defined "Zones of Acceptance" can proceed immediately with a decision of the General Secretary of the respective region or the Minister of Environment, Urban Planning and Public Works ("YPEHODE"). Currently certain municipalities (i.e. Municipality of Amaroussio) have initiated the procedure of defining "Zones of Acceptance" for the process of transferring building coefficient into their administrative area. Consequently, the process of transferring building coefficient as defined by Law 3044/2002 is completely valid and respects the Article No. 24 of the Greek Constitution and therefore able to be immediately enacted.

The management believes that Law 3044/2002 will enable the Group (provided that it will be able to obtain the Municipality's approval, to develop more than 20,000 square meters of building space) to transfer, without the purchase of additional land, unused building rights that already possesses or has the right to acquire, to other properties located in areas where such a transfer is permitted.

2.9. Impairment of non-financial assets

Assets including goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances 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 that suffered impairment are reviewed for possible reversal of the impairment at the end of the year.

2.10. Financial Assets

The investments of the Company and the Group are classified in the following categories. Management determines the classification at initial recognition and re-evaluates this designation at every reporting date.

- *Financial assets at fair value through profit or loss*

This category includes financial assets acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. The Group does not hold any such investments.



- *Loans and receivables*

It includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and there is no intention to dispose. They are included in current assets as trade and other receivables (Note: Trade and other receivables), except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets at other non-current receivables. The group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

- *Held-to-maturity investments.*

It includes non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Group has the positive intention and ability to hold to maturity. During the year, the Group did not have any investments in this category.

- *Available-for-sale financial assets.*

It includes non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. During the year, the Group did not have any such assets.

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit & loss. Financial assets carried at fair value through profit & loss are initially recognized at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership and financial assets at fair value through profit & loss are subsequently carried at fair value.

Loans and receivables and financial assets at fair value through profit & loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

Realised and unrealised gains or losses arising from the changes in the fair value of financial assets at fair value through profit and loss are recognised in the income statement in the period they occur. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of other gains when the group's right to receive payment is established.

Changes in the fair value of available for-sale financial assets are subsequently carried at fair value and relevant gains or losses are recognised in equity reserve until those assets are finally disposed or impaired. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are transferred in the income statement. Interest on available for sale securities calculated using the effective interest method is recognized in the income statement as other gains. Dividend on available for sale equity instruments are recognized in the income statement when the Group's right to receive payments is established.



The fair values of quoted investments are based on current market prices. For unquoted investments, the fair values are established using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.12.

2.11. Inventories

Investment properties that are being developed for future sale are reclassified as inventories at their deemed cost, which is the carrying amount at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete redevelopment, when applicable, and selling expenses.

2.12. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. 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. The amount of the provision is recognised in the income statement under administrative expenses. Subsequent recoveries of amount written off are credited in the income statement.



2.13. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, pledged deposits, and other low risk short-term highly liquid investments with original maturities of three months or less.

2.14. 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.

2.15. Borrowings

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

2.16. Trade payables

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

2.17. Derivative financial instruments

Derivative financial instruments include interest rate swaps.

They are initially recognised at fair value and are subsequently re-measured at their fair value. The fair value is estimated using current prices and discounted cash flows analysis.

Derivative financial instruments with a positive fair value are classified as assets and as liabilities when their fair value is negative.

Any changes in the fair value of derivative financial instruments held for trading are recognised in the income statement as finance cost / income.



2.18. Taxation

Income tax payable on income is provided using the applicable tax law in each jurisdiction and is recognized as an expense in the period in which income arise.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19. Employee benefits

(a) Pension obligations

The Group companies participate in various defined benefit schemes, which are funded through payments to funds. The payments are determined by the Greek legislation and the funds' regulation. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. The benefits paid to all employees qualify as a post-employment defined benefit plan.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long term Greek Government Bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.



Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal; or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Short term benefits

Short term benefits to employees are recognized in the income statement on an accrual basis.

2.20. 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 more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the Group, as 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.

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. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.



2.21. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from investment property – rental income, disposal of real estate property, development and construction work.

The recognition of revenue has as follows:

(a) Rental income from investment property and rental income for subleasing third parties' properties for which is also a lessee

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 customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Income from disposal of real estate property

Revenue from the sale of real estate property to third parties are recognised using the “percentage of completion method”, measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for the contract.

(c) Income from development and construction work

Revenue from services and real estate management charges are recognised in the accounting period in which the services are rendered. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

(d) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e) Dividends

Dividend income is recognised when the right to receive payment is established.

2.22. Leases

(a) A group company is the lessee

i) Operating lease

Leases in which a significant portion of the 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 from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

ii) Finance lease

Leases of assets for which the Group substantially has 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. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are carried at their fair value.

(b) A group company is the lessor

The Group leases out property only in the form of operating leases. Such property is included in investment property in the balance sheet (Note 6 below).

The Group also subleases horizontal ownerships at properties constructed by the parent company and its subsidiaries for which is also a lessee under operating leasing (see (a) i) above.

2.23. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements only to the extent that is required by law that is 35% of profit after tax and after statutory reserve (also required by law at 5% of profit after tax). The proposed dividend in excess to the above is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

2.24. Comparative figures and rounding

Certain amounts of the previous year's data were reclassified so that they are comparable with the respective ones of the current year. Any differences between these financial statements and the respective amounts in the notes as well as the totals are due to rounding.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (price risk, interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management as well as written policies covering specific areas, such as interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

*(a) Market risk*Price risk

The Group is exposed to property price and property rentals risk. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

At 31 December 2007, if the value of properties had been 5% higher / lower, while all other variables held constant, company result would have been higher / lower by € 39,470 thousand respectively. For the Group, it would have been higher / lower by € 59,635 thousand respectively. There would also have been a respective effect on the Group's and company's Net Asset Value.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(c) Liquidity risk

Liquidity needs are satisfied through the maintenance of sufficient cash, the settlement of receivables on a timely basis and keeping committed credit lines available from financial institutions.

The table below analyses the Group's and company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>All amounts in Euro thousands</i>	Consolidated 31 December 2007			Consolidated 31 December 2006		
	No later than 1 year	later than 1 year and no later than 5 tears	Later than 5 years	No later than 1 year	later than 1 year and no later than 5 tears	Later than 5 years
Bank loans	81,550	142,034	–	111,380	49,284	–
Finance leases	14,333	162,307	621,494	17,831	152,939	523,349
Trade and other payables	74,055	–	–	103,410	–	–
Other non-current liabilities	–	–	3,658	–	–	3,742
<i>All amounts in Euro thousands</i>	Company 31 December 2007			Company 31 December 2006		
	No later than 1 year	later than 1 year and no later than 5 tears	Later than 5 years	No later than 1 year	later than 1 year and no later than 5 tears	Later than 5 years
Bank loans	33,550	142,034	–	83,380	28,913	–
Finance leases	11,932	124,735	401,704	15,325	119,562	289,932
Trade and other payables	134,159	–	–	149,897	–	–
Other non-current liabilities	–	–	2,571	–	–	2,856

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



The table below analyses the Group's and company's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>All amounts in Euro thousands</i>	Consolidated and Company 31 December 2007			Consolidated and Company 31 December 2006		
	No later than 1 year	later than 1 year and no later than 5 years	Later than 5 years	No later than 1 year	later than 1 year and no later than 5 years	Later than 5 years
Interest rate swaps						
Inflows	38,697	157,338	271,693	36,795	149,603	291,278
Outflows	38,805	156,135	242,226	38,517	152,075	278,903

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group's borrowings are denominated in euro with variable interest rates and consequently the exposure to fair value interest rate risk is minimized.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps, for the 76% of finance lease obligations (Note 20). Such interest rate swaps have the economic effect of converting long term borrowings from floating rates to fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

At 31 December 2007, if the interest rates on borrowings had been 1% higher / lower, while all other variables held constant, company result would have been lower / higher by € 1,651 thousand (2006: € 969 thousand) mainly as a result of higher / lower interest expense on floating rate borrowings. Respectively, for the Group € 2,402 thousand (2006: € 1,880 thousand). There would also had been a respective effect on the Group's and company's Net Asset Value.

3.2. Capital risk management

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (current and

non-current borrowings less cash and cash equivalents) divided by the total of equity plus net debt. The gearing ratios at 31 December 2007 and 2006 are presented below:

<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		31 December 2007	31 December 2006	31 December 2007	31 December 2006
Total borrowings	16	632,350	544,382	469,728	381,673
Less: Cash and cash equivalents	13	(92,706)	(71,509)	(76,429)	(46,627)
Net debt		539,644	472,872	393,299	335,046
Total Equity		536,920	544,678	348,988	343,685
		1,076,564	1,017,551	742,287	678,731
Gearing Ratio		50.13%	46.47%	52.98%	49.36%

During 2007, as well as during 2006, the group's and company's strategy was to maintain the gearing ratio within 45% and 55%.

The increase in the gearing ratio during 2007 resulted primarily from the increase of borrowings mainly through the revisions (increases) of the notional principal of several sale and leaseback agreements during the last quarter of the fiscal year as well as the increase of bank loans with the intention of financing under construction investment properties.

3.3. Fair value estimation

The fair value of financial instruments traded in an active market (stock exchange) (such as derivatives, trading and available-for-sale securities, bonds, mutual funds) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price and for the financial liabilities the offer price.

For investment property fair value estimation see note 2.6.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and market assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less impairment provision of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future cash flows at the current market interest rate that is available to the Group for similar financial instruments.



4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

4.1. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal 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 twelve months are as follows:

(a) Estimate 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 determines the amount within a range of reasonable fair value estimates. In making its judgement, 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 the cash flows.

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

If information on current or recent values for investment properties is not available, the fair values of investment properties are determined using discounted flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance date.

The principle assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void 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 expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of



whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Outstanding legal claims

The Group recognizes liabilities for outstanding legal claims existed at each balance sheet date. Where the final outcome of these claims is different from the amounts that were initially recorded, such differences will impact the provisions in the period in which such determination is made.

4.2. Critical judgements in applying the Group's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

5. Segment Reporting

5.1. Primary reporting format – business segments

At 31st December 2007, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

The segment results for the year ended 31 December 2007 are as follows:



<i>All amounts in Euro thousands</i>		YEAR ENDED 31 DECEMBER 2007				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group	
Revenue	55,874	1,310	44,060	50	101,293	
Operating profit / (loss)	43,131	137	(10,073)	(10,244)	22,950	
Finance expense (net)					(34,595)	
Profit / (loss) before income tax	43,131	137	(10,073)	(10,244)	(11,645)	
Income tax expense					3,887	
Profit / (loss) for the year	43,131	137	(10,073)	(10,244)	(7,758)	

The segment results for the year ended 31 December 2006 are as follows:

<i>All amounts in Euro thousands</i>		YEAR ENDED 31 DECEMBER 2006				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group	
Revenue	15,559	1,468	39,050	-	56,077	
Operating profit / (loss)	48,824	141	107,307	(11,077)	145,195	
Finance expense (net)					(25,763)	
Profit / (loss) before income tax	48,824	141	107,307	(11,077)	119,433	
Income tax expense					(34,039)	
Profit / (loss) for the year	48,824	141	107,307	(11,077)	85,394	

Various segment items of significance included in the income statement are presented below:

<i>All amounts in Euro thousands</i>		YEAR ENDED 31 DECEMBER 2007				
	Note	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	7	-	-	(17,289)	-	(17,289)
Net gain from fair value adjustment on investment property	6	36,187	-	(30,799)	-	5,388
Provisions		-	-	-	(2,311)	(2,311)
Depreciation of property, plant and equipment	7	(50)	-	(346)	(106)	(503)
Amortisation of intangible assets	8	-	-	-	(48)	(48)

<i>All amounts in Euro thousands</i>		YEAR ENDED 31 DECEMBER 2006				
	Note	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental	7	-	-	(17,195)	-	(17,195)
Net gain from fair value adjustment on investment property	6	49,420	-	89,484	-	138,905
Impairment of receivables	11	-	-	-	(2,051)	(2,051)
Provisions		-	-	-	(1,869)	(1,869)
Depreciation of property, plant and equipment	7	(3)	(0)	(205)	(219)	(428)
Amortisation of intangible assets	8	-	-	-	(43)	(43)
Impairment of inventory	10	(1,499)	-	-	-	(1,499)

There are no inter-segment transfers or transactions. Unallocated costs represent corporate expenses.



The segment assets and liabilities at 31 December 2007 are as follows:

<i>All amounts in Euro thousands</i>	31 DECEMBER 2007				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	356,348	1,822	946,157	119,318	1,423,644
Total Liabilities	278,443	35	412,335	195,912	886,723
Capital expenditure	25,223	-	-	265	25,488

The segment assets and liabilities at 31 December 2006 are as follows:

<i>All amounts in Euro thousands</i>	31 DECEMBER 2006				
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	303,559	1,849	981,631	92,405	1,379,444
Total Liabilities	228,037	31	396,552	210,145	834,766
Capital expenditure	92,372	-	62,777	593	155,743

Segment assets consist primarily of investment property, property plant and equipment (land, buildings and assets under construction), inventories, trade and other receivables.

Unallocated assets mainly comprise intangible assets, cash & cash equivalents, receivables from other related parties and other receivables.

Segment liabilities consist primarily of borrowings (including finance leases), trade and other payables.

Unallocated liabilities mainly comprise current & deferred income tax liabilities, litigation provisions, employee benefits obligations, derivative financial instruments, dividend payable, amounts due to other related parties and other creditors.

Capital expenditure include additions to Property plant and equipment (Note 7), investment property (Note 6) and intangible assets (Note 8) including additions through business combinations (Notes 6, 7 and 34).

Segment assets and liabilities are reconciled to Group's assets and liabilities for 2007 as follows:



<i>All amounts in Euro thousands</i>	Assets	Liabilities
Segment Assets / Liabilities	1,304,326	690,812
Other investments	18	-
Other non-current receivables	2	-
Other receivables	966	-
Receivables from other related parties	6,077	-
Prepaid expenses	16	-
Cash and cash equivalents	92,706	-
Property plant and equipment	599	-
Intangible assets	18,934	-
Other creditors	-	1,127
Amounts due to other related parties	-	12,582
Trade payables	-	483
Income tax and other taxes	-	5,330
Social securities	-	489
Accrued expenses	-	268
Deferred tax	-	147,558
Employee benefits obligations	-	2,246
Provisions	-	5,554
Derivatives	-	20,274
Total	<u>1,423,644</u>	<u>886,723</u>

5.2. Secondary reporting format – geographical segments

The Group realises the total of its sales in Greece.

6. Investment property

<i>All amounts in Euro thousands</i>	Note	Consolidated	Company
At beginning of year (01.01.2006)		904,383	708,069
Acquisition of subsidiary	34	30,533	-
Additions in investment property / additions in construction costs		124,527	62,636
Transfer from property, plant and equipment	7	(2,168)	3,820
Transfer from inventory		1	-
Disposal		(1,476)	-
Net gain from fair value adjustments on investment property		<u>138,905</u>	<u>10,515</u>
At end of year (31.12.2006)		<u>1,194,706</u>	<u>785,039</u>
Additions in investment property / additions in construction costs		25,159	20,755
Transfer from property, plant and equipment	7	13,555	13,555
Transfer from inventory		12,018	11,186
Transfer to inventory		(19,100)	(25,087)
Net gain from fair value adjustments on investment property		<u>5,388</u>	<u>22,121</u>
At end of year (31.12.2007)		<u>1,231,727</u>	<u>827,569</u>

The fair market value of Investment property was re-measured and adjusted at 31 December 2007 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. The Build Operate Transfer of building complex Ethnikis Antistaseos was re-measured by the Company management only as far as the part referring to the sale and leaseback agreement. Its value amounted to € 53,145 thousand (2006: € 52,814 thousand) and for the valuation performed the same assumptions were taken into consideration. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. During the period ended 31 December 2007, no change has occurred to the Group's investment property portfolio concerning asset addition or asset disposal other than cost additions concerning the investment property under construction.

The following amounts relating to investment property have been recognised in the income statement:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Rental income	28,667	23,552	19,213	18,446
Direct operating expenses arising from investment property that generate rental income	1,462	726	743	658
Direct operating expenses that did not generate rental income	795	750	633	326

Additions to investment property

During the year ended at 31 December 2007, no investment property under construction was completed (for the Investment property under construction see below).

Investment property under construction

Sounio: During January 2008, the last one of the three building permits necessary for the development of three distinct hotel units, with a total above ground area of 12,000 sqm was issued. The development of the land plot in Sounio, in a particularly attractive location, will generate significant demand from Greek and foreign hotel operators. The Group intends to secure a long-term lease agreement with a hotel operator to manage the units that will be developed.

340 Syggrou Avenue: The Group is developing at a fast pace the development of the office and retail building with above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm and 393 parking spaces located at 340 Syggrou Avenue. The property on which the aforementioned building is being constructed had been acquired during 2006 through the acquisition of a company and it is included in investment property. The development has a substantial progress and the construction of the above ground surface has been almost completed.

Poros - Galatas: The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-completed semi-detached residential units intended for tourist use. The completion of the aforementioned residential units has started. Currently, the wall and exterior works have been completed and the internal works have already started. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 December 2007 are included in Investment property under construction.

Votanikos: During 2006, Babis Vovos International Construction S.A. signed the final purchase agreement for the assets owned by ETMA S.A. and HELLATEX S.A., in the area of combined urban regeneration and development of Votanikos. This agreement refers to a total land surface of approximately 100,000 sqm, located in the district of Elaionas in the municipality of Athens. The aforementioned land plots are located within the borders of the Metropolitan intervention and combined urban regeneration and development of the areas of Alexandras Avenue and Votanikos, according to L.3481/2006. According to the provisions of the aforementioned law, the company granted 57% of the total surface to the municipality of Athens ensuring the respective to the total surface building coefficient. Company management has not yet decided for the way of exploitation of the property which is classified under investment property.

During the first quarter of 2007, the demolition permit concerning the existing buildings was issued. The demolition has started during April 2007 and is already completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit concerning the under the ground parking area has been issued. The respective building permit for the shopping mall with 70,000 sqm of gross lettable area is expected to be issued during the first half of 2008.



During January 2007, the subsidiary “Babis Vovos International Construction S.A. and Co GP” received the compensation amounting to € 2,430 thousand from Alpha Insurance. This compensation refers to the restoration costs incurred due to the damages caused by the fire eruption to part of the Building Complex II at Delta Falirou (Building K4 – floors A & B), at July 31st, 2006. The actual restoration costs amounted to € 3,463 thousand. The loss amounting to € 1,033 thousand was recorded to the income statement of the fiscal year ended 31 December 2006.

At 31 December 2007, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 803,978 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 366,707 thousand. (For 31.12.2006: buildings valued at € 845,817 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos) held under sale and leaseback agreements of which the remaining obligations were € 334,326 thousand).

For securing liabilities, guarantees over the investment property amounting to € 273,828 thousand (2006: € 164,368 thousand) for the Group and € 185,406 thousand (2006: € 92,426 thousand) for the company have been provided.

7. Property, plant and equipment

Consolidated						<i>All amounts in Euro thousands</i>
	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost						
Balance 1 January 2007		10,990	2,746	489	13,625	27,850
Purchases		–	133	123	65	321
Sales		–	(9)	(14)	–	(23)
Transfer to Investment Property	6	–	–	–	(13,555)	(13,555)
Balance 31 December 2007		10,990	2,870	598	135	14,593
Accumulated depreciation						
Balance 1 January 2007		(1,085)	(1,978)	(337)	–	(3,400)
Depreciation charge		(296)	(221)	(77)	–	(595)
Depreciation write-off due to sale		–	8	14	–	22
Balance 31 December 2007		(1,381)	(2,191)	(401)	–	(3,973)
Closing net book amount 31 December 2007		9,609	678	198	135	10,620
Consolidated						<i>All amounts in Euro thousands</i>
	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost						
Balance 1 January 2006		10,990	2,283	476	11,369	25,119
Purchases		–	463	79	89	631
Business combinations	34	1,404	–	7	–	1,410
Sales		–	(1)	–	–	(1)
Disposals		(1,404)	–	(73)	–	(1,477)
Transfer to Investment Property	6	–	–	–	2,168	2,168
Balance 31 December 2006		10,990	2,746	489	13,625	27,850
Accumulated depreciation						
Balance 1 January 2006		(783)	(1,758)	(338)	–	(2,879)
Depreciation charge		(325)	(222)	(65)	–	(612)
Business combinations	34	(1,059)	–	(7)	–	(1,065)
Depreciation write-off due to sale / disposal		1,082	1	73	–	1,156
Balance 31 December 2006		(1,085)	(1,978)	(337)	–	(3,400)
Closing net book amount 31 December 2006		9,905	767	152	13,625	24,450



Company						<i>All amounts in Euro thousands</i>
	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost						
Balance 1 January 2007		2,046	1,971	436	13,625	18,078
Purchases		–	133	123	65	320
Sales		–	(9)	(14)	–	(23)
Transfer to Investment Property	6	–	–	–	(13,555)	(13,555)
Balance 31 December 2007		<u>2,046</u>	<u>2,094</u>	<u>545</u>	<u>135</u>	<u>4,820</u>
Accumulated depreciation						
Balance 1 January 2007		(796)	(1,610)	(300)	–	(2,706)
Depreciation charge		(200)	(156)	(72)	–	(428)
Depreciation write-off due to disposal		–	8	14	–	22
Balance 31 December 2007		<u>(996)</u>	<u>(1,758)</u>	<u>(359)</u>	<u>–</u>	<u>(3,112)</u>
Closing net book amount 31 December 2007		<u>1,050</u>	<u>336</u>	<u>186</u>	<u>135</u>	<u>1,708</u>
Company						<i>All amounts in Euro thousands</i>
	Note	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
Cost						
Balance 1 January 2006		2,046	1,891	445	17,357	21,739
Purchases		–	81	62	89	232
Sales		–	(1)	–	–	(1)
Disposals		–	–	(72)	–	(72)
Transfer to Investment Property	6	–	–	–	(3,820)	(3,820)
Balance 31 December 2006		<u>2,046</u>	<u>1,971</u>	<u>436</u>	<u>13,625</u>	<u>18,078</u>
Accumulated depreciation						
Balance 1 January 2006		(590)	(1,410)	(307)	–	(2,307)
Depreciation charge		(205)	(201)	(65)	–	(472)
Depreciation write-off due to disposal		–	1	72	–	73
Balance 31 December 2006		<u>(796)</u>	<u>(1,610)</u>	<u>(300)</u>	<u>–</u>	<u>(2,706)</u>
Closing net book amount 31 December 2006		<u>1,250</u>	<u>361</u>	<u>136</u>	<u>13,625</u>	<u>15,372</u>

There were no impairment charges in 2007 and 2006.

Depreciation expense of € 503 thousand (2006: € 428 thousand) for the Group and € 351 thousand (2006: € 300 thousand) for the Company has been charged in the income statement as follows (note 23): € 300 thousand (2006: € 217 thousand) for the Group, € 250 thousand (2006: € 209 thousand) for the Company in cost of sales and € 202 thousand (2006: € 211 thousand) for the Group, € 101 thousand (2006: € 91 thousand) for the Company in administrative expenses respectively.

The category of machinery and motor vehicles includes machinery leased by the Group from third parties under finance leases with the following carrying amounts:

	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Cost	336	336	–	–
Accumulated depreciation	(59)	(8)	–	–
Closing net book amount	<u>277</u>	<u>328</u>	<u>–</u>	<u>–</u>

The category of lands and buildings includes an own-occupied property held by the Group under sale and leaseback agreement for which the fair value was considered as “deemed cost”, based on a valuation report by an independent valuer, at May 31st,



2004. The fair value resulted from the valuation was € 8,932 thousand. The analysis of the carrying amounts is as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Land cost	3,919	3,919	-	-
Building cost	5,013	5,013	-	-
Accumulated depreciation	(385)	(289)	-	-
Closing net book amount	8,547	8,643	-	-

Lease rentals amounting to € 17,289 thousand (2006: € 17,195 thousand) and € 13,063 thousand (2006: € 12,493 thousand) for the Group and the Company respectively, relating to the operating leases of properties (horizontal ownerships), vehicles and other equipment are included in the income statement under cost of sales for the property leases and under administrative expenses.

For securing liabilities, no guarantees over the property plant equipment (2006: € 9,600 thousand) for the Group and the company have been provided.

8. Intangible assets

<i>All amounts in Euro thousands</i>	Consolidated			Company		
	Software licences	Purchased rights to transfer building coefficients	Total	Software licences	Purchased rights to transfer building coefficients	Total
Cost						
Balance 1 January 2007	274	18,871	19,146	274	16,443	16,718
Purchases	8	-	8	8	-	8
Balance 31 December 2007	283	18,871	19,154	283	16,443	16,726
Accumulated depreciation						
Balance 1 January 2007	(172)	-	(172)	(172)	-	(172)
Depreciation charge	(48)	-	(48)	(48)	-	(48)
Balance 31 December 2007	(220)	-	(220)	(220)	-	(220)
Closing net book amount 31 December 2007	63	18,871	18,934	63	16,443	16,506
<i>All amounts in Euro thousands</i>						
Cost						
Balance 1 January 2006	230	18,871	19,101	230	16,443	16,673
Purchases	44	-	44	44	-	44
Balance 31 December 2006	274	18,871	19,146	274	16,443	16,718
Accumulated depreciation						
Balance 1 January 2006	(129)	-	(129)	(129)	-	(129)
Depreciation charge	(43)	-	(43)	(43)	-	(43)
Balance 31 December 2006	(172)	-	(172)	(172)	-	(172)
Closing net book amount 31 December 2006	102	18,871	18,974	102	16,443	16,546

Amortization of € 48 thousand (2006: € 43 thousand) for the Group and the Company has been charged in the income statement (note 23) in administrative expenses.

There were no impairment charges in 2007 and 2006.



Transfer of Building Coefficient rights

The fair value of the rights to transfer building coefficient as determined by a valuation report prepared by Colliers International dated 31 December 2007 amounts to € 43,140 thousand. The difference between the fair value and their cost amounting to € 24,269 thousand has not been recognized in the financial statements.

For securing liabilities, guarantees over the intangible assets (Transfer of Building Coefficient rights – cost of land that will accept the transferable building coefficients) amounting to € 12,745 thousand (2006: € 12,745 thousand) for the Group and the company have been provided.

9. Investments in subsidiaries and other investments

All amounts in Euro thousands	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Participation to subsidiaries	–	–	55,125	55,125
Other participations	18	18	1	1
Provision for participations impairment	–	–	(7,255)	(7,648)
	<u>18</u>	<u>18</u>	<u>47,871</u>	<u>47,477</u>

In the company income statement, a loss amounting to € 6,960 thousand and € 11,498 thousand for the years 2007 and 2006 respectively were included. Both amounts concern the result of the subsidiary "Babis Vovos International Construction S.A. & Co. GP".

During 2007, a decrease of the provision for impairment was calculated for participation of the parent company to the subsidiary "Doma S.A." amounting to € 393 thousand. The total provision for impairment for the participation to the aforementioned subsidiary amounts to € 7,255 thousand. During 2006, the provision for impairment for the participation to the aforementioned subsidiary had been calculated amounting to € 7,648 thousand.

The subsidiary companies that are consolidated are:

COMPANY	PERCENTAGE %
• Babis Vovos International Construction S.A.	Parent
• Babis Vovos International Construction S.A. & Co. GP	99.90%
• Doma S.A.	98.98%
• Alteco S.A.	99.01%
• Ergoliptiki - Ktimatiki - Touristiki S.A.	51.00%
• International Palace Hotel S.A.	Included in the consolidation with 51% percentage of ownership through "Ergoliptiki - Ktimatiki - Touristiki S.A." which owns 100% of its share capital.
• Elfinko S.A.	99.00%

They are all domiciled in Greece.



Analytically:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Babis Vovos International Construction S.A. and Co. GP - E. Syllias & Co GP.	11	11	-	-
Babis Vovos International Construction S.A. & Co. GP. - Agora C. & Co. GP.	3	3	-	-
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co Ltd	3	3	-	-
Doma S.A.	-	-	19,004	19,004
Babis Vovos International Construction S.A. and Co. GP	-	-	29	29
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-	2,694	2,694
International Palace Hotel S.A.	-	-	-	-
Alteco S.A.	-	-	10,572	10,572
Elfinko S.A.	-	-	22,825	22,825
Other	1	1	1	1
	<u>18</u>	<u>18</u>	<u>55,126</u>	<u>55,126</u>
Provision for participations impairment	-	-	-	-
Doma S.A.	-	-	(7,255)	(7,648)
Total	<u>18</u>	<u>18</u>	<u>47,871</u>	<u>47,477</u>

There were no disposals of investments during 2007 and 2006.

During 2007, there was no new investment to subsidiaries.

On May 22nd, 2006, the Company acquired 99.00% of Elfinko S.A. The total amount paid for the acquisition was € 22,825 thousand. A land plot of approximately 6,000 sqm at 340 Syggrou Avenue in Kallithea is the main asset of the aforementioned company (Note 34).

10. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<i>All amounts in Euro thousands</i>	Consolidated 2007		Company 2007	
	Loans and Receivables	Total	Loans and Receivables	Total
ASSETS AS PER BALANCE SHEET				
Net trade receivables	3,746	3,746	2,194	2,194
Receivables from subsidiaries	-	-	42,972	42,972
Receivables from other related parties	12,309	12,309	6,305	6,305
Other debtors	14,444	14,444	11,291	11,291
Cash and cash equivalents	92,706	92,706	76,429	76,429
Total	<u>123,206</u>	<u>123,206</u>	<u>139,191</u>	<u>139,191</u>
<i>All amounts in Euro thousands</i>	Consolidated 2006		Company 2006	
	Loans and Receivables	Total	Loans and Receivables	Total
ASSETS AS PER BALANCE SHEET				
Net trade receivables	13,468	13,468	12,164	12,164
Accrued income	2,430	2,430	-	-
Receivables from subsidiaries	-	-	37,306	37,306
Receivables from other related parties	11,579	11,579	5,580	5,580
Other debtors	5,846	5,846	4,079	4,079
Cash and cash equivalents	71,509	71,509	46,627	46,627
Total	<u>104,832</u>	<u>104,832</u>	<u>105,755</u>	<u>105,755</u>



<i>All amounts in Euro thousands</i>				Consolidated 2007			Company 2007		
LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total	Liabilities at fair value through the profit and loss	Other financial liabilities	Total			
Borrowings	-	632,350	632,350	-	469,728	469,728			
Derivative financial instruments	20,274	-	20,274	20,274	-	20,274			
Total	20,274	632,350	652,624	20,274	469,728	490,003			

<i>All amounts in Euro thousands</i>				Consolidated 2006			Company 2006		
LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total	Liabilities at fair value through the profit and loss	Other financial liabilities	Total			
Borrowings	-	544,382	544,382	-	381,673	381,673			
Derivative financial instruments	18,872	-	18,872	18,872	-	18,872			
Total	18,872	544,382	563,254	18,872	381,673	400,545			

11. Inventories

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Property Inventory (land plots - buildings)	3,108	3,941	647	647
Construction in progress	20,391	17,068	26,137	17,068
Raw Material inventory	1,381	1,223	1,312	1,000
Construction of buildings & civil engineer technical works in progress	330	634	330	634
Downpayments for stocks	7,696	8,663	7,681	8,399
Provision for impairment of construction in progress	(1,022)	(2,394)	(1,022)	(2,394)
Provision for impairment of other inventory	(15)	(15)	-	-
At end of year	<u>31,868</u>	<u>29,120</u>	<u>35,085</u>	<u>25,354</u>

Construction in progress is analysed into the following properties under construction:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
9-13 Patmou & Agrafon street	2,476	4,892	2,476	4,892
108-110 Athens Avenue	-	11,780	-	11,780
340 Syggrou Avenue	-	396	-	396
N. Erythrea - Mortero - Gymnastiriou Str. BB270	9,668	-	11,893	-
N. Erythrea - Mortero - Gymnastiriou Str. BB271	8,246	-	11,768	-
Construction in progress	<u>20,391</u>	<u>17,068</u>	<u>26,137</u>	<u>17,068</u>

The cost of inventories recognized as expense and included in cost of sales amounted to € 34,862 thousand (2006: € 17,464 thousand) and € 34,791 thousand (2006: € 16,054 thousand) for the Group and the Company respectively.

For securing liabilities, guarantees over the inventories amounting to € 23,578 thousand (2006: € 2,028 thousand) for the Group and the company have been provided.



12. Trade and other receivables

<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		31 December 2007	31 December 2006	31 December 2007	31 December 2006
Trade receivables		5,221	14,943	2,619	12,589
Less: provision for impairment of trade receivables		(1,475)	(1,475)	(424)	(424)
Net trade receivables		3,746	13,468	2,194	12,164
Prepaid expenses		6,712	7,084	5,104	5,029
Accrued income		–	2,430	–	–
Receivables from subsidiaries	33	–	–	42,972	37,306
Receivables from other related parties	33	12,309	11,579	6,305	5,580
Advances		558	259	370	71
Other debtors		18,852	10,253	14,473	7,261
Less: provision for impairment of other receivables		(4,407)	(4,407)	(3,182)	(3,182)
		<u>34,024</u>	<u>27,197</u>	<u>66,042</u>	<u>52,064</u>
		37,770	40,665	68,236	64,228
Less non-current assets:					
Advances		(558)	(259)	(370)	(71)
Current assets		<u>37,212</u>	<u>40,406</u>	<u>67,866</u>	<u>64,157</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, operating in wide spectrum of business sectors.

The accounting value of receivables is approximately the same as their fair value.

The general practice of the company for trade receivables is 90 days. Trade receivables that are less than three months are not considered due. At 31 December 2007, trade receivables amounting to € 1,009 thousand (31 December 2006: € 1,486) for the Group and € 106 thousand (31 December 2006: € 507 thousand) for the company are due but they are expected to be received and, consequently, they are not provided for impairment. The ageing analysis of these trade receivables is as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
No later than 3 months	102	252	79	215
3 to 6 months	12	22	9	3
6 to 12 months	32	1,175	18	289
Over 1 year	863	37	–	–
	<u>1,009</u>	<u>1,486</u>	<u>106</u>	<u>507</u>

During the year, no impairment loss for trade accounts receivable was recognised for the Group and the Company (2006: € 2,051 thousand for the Group and € 883 thousand for the Company respectively).

Movements on the provision for impairment of trade and other receivables for the Group and the Company are as follows:

<i>All amounts in Euro thousands</i>	Consolidated	Company
At beginning of year (01.01.2006)	3,832	2,724
Impairment loss for trade and other receivables	2,051	883
At end of year (31.12.2006)	<u>5,882</u>	<u>3,607</u>
Impairment loss for trade and other receivables	–	–
At end of year (31.12.2007)	<u>5,882</u>	<u>3,607</u>



The Group and the Company have no trade and other receivables in foreign currency at 31 December 2007 and 31 December 2006.

Long term receivables, included in non-current assets, relate to guarantees paid to third parties in the normal course of the business and do not have specific maturity date.

The Group and the company hold guarantees - collaterals as security for trade receivables (more specifically, receivables from lessees). These guarantees are included in other non-current liabilities (see Trade and other payables) and are usually equal to two monthly leases. At 31 December 2007, the lease guarantees are amounting to € 3,658 thousand (31 December 2006: € 3,742 thousand) for the Group and € 2,571 thousand (31 December 2006: € 2,856 thousand) for the company (Note 19).

At 31 December 2007, the maximum exposure of the Group and the company to credit risk is the fair value of trade and other receivables mentioned above, which approximates their accounting value, less the value of lease guarantees mentioned above.

Other receivables do not include impaired assets unless differently stated.

13. Cash and cash equivalents

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Cash on hand	58	142	32	81
Site deposits	66,137	14,513	64,897	6,546
Committed deposit accounts	26,511	56,854	11,500	40,000
Cash and cash equivalents	<u>92,706</u>	<u>71,509</u>	<u>76,429</u>	<u>46,627</u>

Committed deposit accounts are deposit accounts held as cash collateral for securing bank borrowings. The effective interest rate of committed deposit accounts of the company amounting to € 11,500 thousand (2006: € 40,000 thousand) for 2007 was 4.426% on average (2006: 3.60%) while for the rest of the committed deposit accounts of the Group subsidiaries amounting to € 15,011 thousand (2006: € 16,854 thousand) was 4.786% (2006: 2.75%).

14. Share capital

Consolidated					
	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2007/2006	33,930	0.30	10,179	36,653	46,832
Company					
	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
Balance at 31 December 2007/2006	33,930	0.30	10,179	36,653	46,832



The total authorised number of ordinary shares is 33,930 thousand shares (2006: 33,930 thousand shares) with a par value of € 0.30 per share (2006: € 0.30 per share). All issued shares are fully paid.

15. Reserves

Consolidated		<i>All amounts in Euro thousands</i>			
	Statutory reserve	Extraordinary reserve	Special - untaxed reserve	Total	
Balance at 1 January 2006	463	7,622	14,968	23,053	
Balance at 31 December 2006	463	7,622	14,968	23,053	
Balance at 31 December 2007	463	7,622	14,968	23,053	

Company		<i>All amounts in Euro thousands</i>			
	Statutory reserve	Extraordinary reserve	Special - untaxed reserve	Total	
Balance at 1 January 2006	74	5,353	19,817	25,244	
Balance at 31 December 2006	74	5,353	19,817	25,244	
Balance at 31 December 2007	74	5,353	19,817	25,244	

(a) Statutory reserve

According to the provisions of articles 44 and 45 of the Cod Law 2190/1920 the formation of the statutory reserve and its potential use is determined as follows: At least 5% of the actual (accounting) net profit of each fiscal year has to be withheld for the formation of a statutory reserve until the accumulated amount reaches at the level of 1/3 of the nominal share capital. The statutory reserve can be used, with the approval of the General Shareholders Meeting, for compensating losses and, consequently cannot be used for any other reason.

(b) Extraordinary Reserve

This category of reserve has been formed with decision by the General Shareholders Meeting during previous fiscal years. Its formation has no specific reason and is subject to be used for each reason that the General Shareholders Meeting decides.

(c) Special-untaxed reserves

Special-untaxed reserves include:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Construction companies' untaxed reserve	13,874	13,874	19,243	19,243
Untaxed reserve for investments	270	270	270	270
Untaxed reserve for tax free income	220	220	204	204
Untaxed reserve under special tax law provisions ⁽¹⁾	110	110	99	99
Untaxed reserve for participation & securities disposal profit	494	494	-	-
Total	14,968	14,968	19,817	19,817

(1) For this reserve, there has been a tax retention of €17 thousands which will be set off in case of distribution.

The above reserves can be capitalised and distributed (taking into consideration any relative law provisions into effect) with the approval of the General Shareholders Meeting.



Part of the non-distributed net profit of each fiscal year that derives from un-taxed revenues or revenues under special tax law provision.

In case these reserves are distributed, the company will be obliged to pay the relative tax which will derive after offsetting any tax already paid at the time of their formation.

16. Borrowings

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Non-current				
Bank Borrowings	134,925	47,102	134,925	27,102
Finance lease liabilities	400,172	365,303	288,431	254,553
	<u>535,096</u>	<u>412,405</u>	<u>423,356</u>	<u>281,656</u>
Current				
Bank Borrowings	82,921	113,146	34,441	84,093
Finance lease liabilities	14,333	18,831	11,932	15,925
	<u>97,254</u>	<u>131,977</u>	<u>46,373</u>	<u>100,017</u>
Total borrowings	<u>632,350</u>	<u>544,382</u>	<u>469,728</u>	<u>381,673</u>

The Group's exposure to interest rate risk for the bank loans and the interest rate contractual re-pricing dates are as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
6 months or less	217,846	160,248	169,365	111,195
	<u>217,846</u>	<u>160,248</u>	<u>169,365</u>	<u>111,195</u>

The maturity of non-current borrowings (excluding finance lease liabilities) is as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Between 1 and 2 years	120,339	42,817	120,339	22,817
Between 2 and 5 years	14,586	4,286	14,586	4,286
	<u>134,925</u>	<u>47,102</u>	<u>134,925</u>	<u>27,102</u>

The non-current borrowings maturity (excluding finance leases) is up to 2010.

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 31 December 2007 was 7.07% (2006: 6.09%) for bank borrowings. Due to the interest rate swap signed by the Group during the first quarter of 2006 for approximately 76% of the above finance lease liabilities (see Derivatives), the rate for calculating the interest payable for these liabilities is 5.29% up to the maturity and repayment of the respective agreements. For the remaining finance lease liabilities, which are not included in the aforementioned interest rate swap agreement, the average weighted interest rate as at 31 December 2007 was 6.97% (2006: 6.56%).



The fair value of both the long-term and short-term borrowings at 31 December 2007 approximated their carrying values.

All the Group's borrowings are in Euro.

The Group has the following un-drawn borrowing facilities to cover future corporate needs:

All amounts in Euro thousands	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Floating rate:				
Expiring beyond one year	8,500	—	8,500	—
	<u>8,500</u>	<u>—</u>	<u>8,500</u>	<u>—</u>

The maturity of finance lease liabilities (up to 2054) is as follows:

All amounts in Euro thousands	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Finance lease liabilities – minimum lease payments:				
No later than 1 year	40,102	37,659	31,460	29,890
Later than 1 year and no later than 5 years	162,307	152,939	124,735	119,562
Later than 5 years	<u>613,494</u>	<u>514,349</u>	<u>393,704</u>	<u>281,332</u>
	815,903	704,946	549,899	430,784
Future finance charges on finance leases	<u>(409,399)</u>	<u>(329,813)</u>	<u>(257,536)</u>	<u>(168,906)</u>
Present value of finance lease liabilities	<u>406,504</u>	<u>375,134</u>	<u>292,363</u>	<u>261,878</u>
All amounts in Euro thousands	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
The present value of finance lease liabilities is as follows: ⁽¹⁾				
No later than 1 year	14,333	17,831	11,932	15,325
Later than 1 year and no later than 5 years	71,238	85,566	56,129	71,331
Later than 5 years	<u>320,934</u>	<u>271,737</u>	<u>224,302</u>	<u>175,222</u>
	<u>406,504</u>	<u>375,134</u>	<u>292,363</u>	<u>261,878</u>

(1) In the above consolidated and company data, preliminary sale & leaseback agreement of € 8,000 thousand (Kifissias & Sina - Building complex B) is not included. Its repayment will start after its completion. As far as the comparative data of 2006, preliminary sale & leaseback agreements of € 1,000 thousand (Sounio) and of € 8,000 thousand (Kifissias & Sina - Building complex B) are not included. At the the company data of 2006, the respective amounts not included are € 600 thousand (Sounio) and € 8,000 thousand (Kifissias & Sina - Building complex B).



17. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Deferred tax liabilities:				
– deferred tax liability to be recovered after more than 12 months	147,558	153,951	91,680	95,358
	<u>147,558</u>	<u>153,951</u>	<u>91,680</u>	<u>95,358</u>

The total movement in deferred income tax is presented below:

<i>All amounts in Euro thousands</i>	Note	Consolidated	Company
Balance at 1 January 2006		115,505	92,710
Debit / (credit) in the income statement	27	32,003	2,649
Acquisition of subsidiary	34	<u>6,443</u>	<u>–</u>
Balance at 31 December 2006		<u>153,951</u>	<u>95,358</u>
Debit / (credit) in the income statement	27	<u>(6,393)</u>	<u>(3,679)</u>
Balance at 31 December 2007		<u>147,558</u>	<u>91,680</u>

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

DEFERRED TAX LIABILITIES				
<i>All amounts in Euro thousands</i>	Consolidated		Company	
	Investment property to fair value	Total	Investment property to fair value	Total
Balance 01.01.2006	168,518	168,518	135,385	135,385
Debit / (credit) in the income statement	28,176	28,176	2,630	2,630
Acquisition of subsidiary	<u>6,447</u>	<u>6,447</u>	<u>–</u>	<u>–</u>
Balance 31.12.2006	<u>203,141</u>	<u>203,141</u>	<u>138,015</u>	<u>138,015</u>
Debit / (credit) in the income statement	<u>2,077</u>	<u>2,077</u>	<u>5,531</u>	<u>5,531</u>
Balance 31.12.2007	<u>205,218</u>	<u>205,218</u>	<u>143,546</u>	<u>143,546</u>



DEFERRED TAX ASSETS						
Consolidated						
	<i>All amounts in Euro thousands</i>					
	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2006	(50,268)	(363)	(384)	(193)	(1,807)	(53,014)
Debit / (credit) in the income statement	6,613	10	(60)	(1,732)	(1,004)	3,827
Acquisition of subsidiary	–	(3)	–	–	–	(3)
Balance 31.12.2006	(43,654)	(356)	(444)	(1,924)	(2,812)	(49,190)
Debit / (credit) in the income statement	(9,385)	6	(114)	511	512	(8,470)
Balance 31.12.2007	(53,039)	(350)	(558)	(1,413)	(2,300)	(57,660)
Company						
	<i>All amounts in Euro thousands</i>					
	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2006	(41,968)	(2)	(351)	(193)	(162)	(42,675)
Debit / (credit) in the income statement	2,596	6	(53)	(1,732)	(798)	19
Balance 31.12.2006	(39,372)	5	(404)	(1,924)	(960)	(42,656)
Debit / (credit) in the income statement	(9,802)	6	(124)	511	198	(9,210)
Balance 31.12.2007	(49,174)	11	(528)	(1,413)	(762)	(51,866)

Deferred tax assets are recognised for tax loss carry – forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. The Group and the company did not recognise deferred income tax assets amounting to € 5,280 thousand (2006: € 8,624 thousand) and € 0 thousand (2006: € 6,876 thousand) in respect of losses amounting to € 21,122 thousand (2006: € 34,497 thousand) and € 0 thousand (2006: € 27,507 thousand) respectively, that can be carried forward against future taxable income up to 2012.

There are no other significant unrecognised deferred tax assets and liabilities.

18. Retirement benefit obligations

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Present value of unfunded obligations	2,209	1,914	2,132	1,579
Unrecognised actuarial losses	37	(116)	(20)	38
	<u>2,246</u>	<u>1,797</u>	<u>2,113</u>	<u>1,617</u>
Liability in the balance sheet	<u>2,246</u>	<u>1,797</u>	<u>2,113</u>	<u>1,617</u>

The amounts recognised in the income statement are as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Current service cost	174	161	136	133
Interest cost	82	75	68	67
Net actuarial losses recognised during the year	221	35	-	26
Losses on curtailment	(3)	-	(2)	-
Transfer of personnel	-	-	319	-
Total, included in employee benefit expense	<u>475</u>	<u>271</u>	<u>521</u>	<u>226</u>

The movement in liability recognised in the balance sheet is as follows:

<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		31 December 2007	31 December 2006	31 December 2007	31 December 2006
Beginning of the year		1,797	1,549	1,617	1,404
Total expense charged in the income statement	24	475	271	521	226
Contributions paid	24	(26)	(23)	(26)	(12)
End of the year		<u>2,246</u>	<u>1,797</u>	<u>2,113</u>	<u>1,617</u>

Out of the total expense charged in the income statement, € 449 thousand (2006: € 248 thousand) and € 495 thousand (2006: € 214 thousand) for the Group and the company respectively has been recorded to other gains / expenses – net (Note 24).

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Discount rate	4.80%	4.30%	4.80%	4.30%
Future salary increases	5.00%	5.00%	5.00%	5.00%
Average yearly long term inflation rate	2.00%	2.00%	2.00%	2.00%

Assumptions regarding future mortality experience are based on Greek mortality table 1990 for male and female (Ministry of Labour K3-3974/99).



19. Trade and other payables

<i>All amounts in Euro thousands</i>		Consolidated		Company	
	Note	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Trade Payables		10,141	9,819	7,976	5,051
Amounts due to subsidiaries	33	–	–	39,144	35,950
Amounts due to other related parties	33	12,582	38,796	2,870	29,621
Social security and other taxes		1,602	2,637	1,532	1,035
Customer advances		39,590	41,204	39,347	40,945
Accrued expenses		9,049	3,631	42,208	29,984
Unearned and deferred income		908	7,259	908	7,259
Lease Guarantees		3,658	3,742	2,571	2,856
Other creditors		184	63	175	52
Trade and other Payables		<u>77,713</u>	<u>107,152</u>	<u>136,731</u>	<u>152,753</u>
Less long-term liabilities:					
lease guarantees		<u>(3,658)</u>	<u>(3,742)</u>	<u>(2,571)</u>	<u>(2,856)</u>
Short-term liabilities		<u>74,055</u>	<u>103,410</u>	<u>134,159</u>	<u>149,897</u>

Group and company trade and other payables are interest free.

20. Derivatives

INTEREST RATE SWAPS HELD FOR TRADING					
<i>All amounts in Euro thousands</i>		Consolidated		Company	
		31 December 2007	31 December 2006	31 December 2007	31 December 2006
Non-current liabilities		17,145	15,868	17,145	15,868
Current liabilities		3,129	3,004	3,129	3,004
		<u>20,274</u>	<u>18,872</u>	<u>20,274</u>	<u>18,872</u>

During February 2007, the Group, aiming at low financial cost in the long term, signed a new interest rate swap agreement with Deutsche Bank. According to its provisions, the Company receives prepayment of € 10,000 thousand which actually are the interest calculated on a notional principal of € 100,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 12th, 2008. These instalments are calculated as interest on the notional principal with an interest rate of 1.95% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias (DBFRUU Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. At 31 December 2007, the fair value of this interest rate swap was € 10,926 thousand. A finance expense of € 926 thousand was recognised in the income statement.

At the same time, the interest rate swap signed during 2005 has been unwind. According to its provisions, the company received a prepayment of € 7,200 thousand which actually was the interest calculated on a notional principal of € 72,000 thousand. The Company had the obligation to pay 8 six-monthly instalments commencing on June 14th 2006. The instalments were calculated as interest on the notional principal with an interest rate based on the 5-year EUR swap rate (5y CMS). The provisions of the contract made unwind as well as the variation of the 5-year EUR swap rate (5y CMS), have driven to a total cost € 75 thousand for a prepayment of € 7,200 thousand received for a 14 month period.



Additionally, two more interest rate swap agreements signed during July 2006 with Deutsche Bank are in effect. These two agreements are similar and, according to their provisions, the Company received prepayments of € 3,800 thousand and € 2,000 thousand which actually are the interest calculated on a notional principal of € 38,000 thousand and € 20,000 thousand respectively. The Company has the obligation to pay 10 six-monthly instalments commencing on January 12th 2007 and January 28th 2007 respectively. The instalments are calculated as interest on the notional principal with an interest rate of 2% for the first six-month period. After the first six-month period, the interest rate varies based on the difference between the 10year and the 2year US dollar interest rate swap. At 31 December 2007, after the payment of the first two instalments on January and July 2007 for each swap (€ 771 thousand and € 408 thousand respectively both calculated with an interest rate of 2%), the fair value of the above described interest rate swaps was € 3,064 thousand and € 1,623 thousand (31 December 2006: € 4,170 thousand and € 2,220 thousand) respectively. Finance revenue of € 336 thousand and € 189 thousand respectively were recognised in the income statement (31 December 2006: finance expense of € 370 thousand and € 220 thousand).

Finally, the floating-to-fixed interest rate swap with Credit Suisse signed by the Group on January 2006 is also in effect. With this agreement the financing cost of approximately 76% of the entire sale and leaseback and Build Operate Transfer (BOT) portfolio (as at 31 December 2007) was "locked" (86% as at the signature date). The initial principal at the date of the agreement was amounting to € 345 million with a total duration of over 15 years. As a result of this transaction, the total cost of the current SLB and BOT portfolio included in the interest rate swap, was set at 5.29%.

During September 2007, the Group has agreed to a variation of this swap agreement with Credit Suisse with the intention of further ensuring the respective cash flows. The valuation of the above mentioned interest rate swap agreement based on the current market conditions is also affected by the aforementioned variation of the agreement. More analytically, after the agreement variation, the fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects, starting from January 30th, 2009, the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. As long as the above two conditions stand, the Group's inflows follow the movement of EURIBOR while the respective outflows are fixed with an interest rate of 5.29%. Starting from January 30th, 2009, for the total calendar days that the above two conditions do not stand, there will be a negative effect on the Group's cash inflows. The fluctuation of the difference between these three reference interest rates as well as their level affect the valuation of the transaction, resulting in finance expense or income reflected at the Group's income statement.

The fair value of the interest rate swap agreement as per 31 December 2007 amounted to € 4,661 thousand (31 December 2006: 6,782 thousand). Finance income of € 2,121 thousand was recognised in the Group's result for the year.

The notional principal for all the above interest rate swap agreements in effect as at 31 December 2007 was € 470,419 thousand (2006: € 460,719 thousand).



21. Provisions for other liabilities and expenses

<i>All amounts in Euro thousands</i>	Consolidated	Company
At beginning of year (01.01.2006)	1,180	438
Reversal of other provisions	(1)	(1)
New provision for litigation and claims	203	203
Use of provision for litigation and claims	<u>(445)</u>	<u>(203)</u>
At end of year (31.12.2006)	<u>937</u>	<u>437</u>
Use of provision for litigation and claims	(50)	-
Reversal of provision for litigation and claims	<u>(20)</u>	<u>(20)</u>
At end of year (31.12.2007)	<u>867</u>	<u>417</u>

Provisions for other liabilities and expenses include provisions for possible liabilities relating to litigation and claims which were pending against the Group companies (see Note 31).

During the year ended at 31 December 2007, a provision for litigation and claim against a subsidiary of the Group amounting to € 20 thousand (2006: € 203 thousand) was reversed and credited at administrative expenses.

During the year ended at 31 December 2007, no new provision for litigation and claims against the group companies was formed (2006: € 203 thousand - included at administrative expenses).

22. Revenue

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Rental income	44,060	39,050	30,587	29,840
Sale of property	55,874	15,559	55,874	14,709
Construction work	1,310	1,468	1,037	1,470
Other	50	0	65	104
	<u>101,293</u>	<u>56,077</u>	<u>87,563</u>	<u>46,121</u>

The period of leases whereby the Group leases out its investment property under operating leases is 8 years or more.

The period of leases whereby the Group sub-leases horizontal ownerships (building floors, retail shops, parking spaces) for which is also a lessee through operating leases have a duration of 8 years or more.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
No later than 1 year	44,879	47,554	31,062	32,953
Later than 1 year and no later than 5 years	179,737	192,046	126,153	135,594
Later than 5 years	594,969	546,530	297,994	350,100
	<u>819,584</u>	<u>786,130</u>	<u>455,209</u>	<u>518,647</u>

The contractual lease agreements include only contingent rents. They do not include variable rents in respect of the turnover of the lessees.



Sale of property for the year ended 31 December 2007 include accrued income resulting from the sale contracts concerning the buildings B and C of the under construction building complex at 108 – 110 Athens Ave. As far as building B is concerned, the Group signed a final sale contract with the real estate investor "KanAm Grund" on May 18th, 2007. The price was defined at € 47,096 thousand. As far as building C is concerned, the Group had signed a final sale contract with "ALLIANZ S.A." on November 24th, 2006. The price had been defined at € 17,500 thousand. The revenue recorded based on the percentage of completion of the aforementioned buildings during the year is as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Patmou & Agrafon Str.	1,625	3,588	1,625	3,588
108-110 Athens Ave.	53,507	10,320	53,507	10,320
N. Erythrea-Mortero-Gymnastiriou Str. BB270	741	–	741	–
Mavromichali & Apollonos Str.	–	850	–	–
49 Kifissias Ave.	–	801	–	801
	55,874	15,559	55,874	14,709

23. Expenses by nature

1/1/2007 - 31/12/2007					
Consolidated		<i>All amounts in Euro thousands</i>			
	Note	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	26	5,743	55	3,638	9,436
Changes in inventories of finished goods and work in progress	11	34,862	–	–	34,862
Lease expenses		20,185	–	15	20,200
Depreciation of property, plant and equipment	7	300	–	202	503
Repairs and maintenance		86	–	92	178
Amortisation of intangible assets	8	–	–	48	48
Marketing		48	208	151	408
Legal and consulting		246	594	478	1,318
Contractors		7,218	–	–	7,218
Travel expenses		0	–	406	406
Provisions		–	–	1,932	1,932
Expenses and provision for litigation and claims		–	–	128	128
Other taxes and duties		–	–	990	990
Other		5,218	129	1,146	6,493
Total		73,906	986	9,226	84,119

Company		<i>All amounts in Euro thousands</i>			
	Note	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	26	5,708	55	3,493	9,257
Changes in inventories of finished goods and work in progress	11	34,791	–	–	34,791
Lease expenses		15,241	–	49	15,290
Depreciation of property, plant and equipment	7	250	–	101	351
Repairs and maintenance		85	–	90	175
Amortisation of intangible assets	8	–	–	48	48
Marketing		–	208	123	331
Legal and consulting		246	479	217	941
Contractors		7,106	–	–	7,106
Travel expenses		0	–	406	406
Provisions		–	–	1,041	1,041
Expenses and provision for litigation and claims		–	–	(20)	(20)
Other taxes and duties		–	–	598	598
Other		5,199	107	1,073	6,379
Total		68,625	849	7,219	76,693



1/1/2006 - 31/12/2006					
Consolidated					<i>All amounts in Euro thousands</i>
	Note	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	26	1,729	54	2,947	4,731
Changes in inventories of finished goods and work in progress	11	17,464	–	–	17,464
Lease expenses		19,507	–	62	19,569
Depreciation of property, plant and equipment	7	217	–	211	428
Repairs and maintenance		118	–	79	197
Amortisation of intangible assets	8	–	–	43	43
Marketing		–	76	84	161
Legal and consulting		118	310	978	1,406
Travel expenses		–	–	389	389
Provisions		–	–	3,914	3,914
Expenses and provision for litigation and claims		–	–	108	108
Other taxes and duties		–	–	598	598
Other		1,561	32	1,229	2,821
Total		40,714	472	10,643	51,829

1/1/2006 - 31/12/2006					
Company					<i>All amounts in Euro thousands</i>
	Note	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense	26	1,729	54	2,741	4,525
Changes in inventories of finished goods and work in progress	11	16,054	–	–	16,054
Lease expenses		14,068	–	96	14,164
Depreciation of property, plant and equipment	7	209	–	91	300
Repairs and maintenance		117	–	74	192
Amortisation of intangible assets	8	–	–	43	43
Marketing		–	76	84	160
Legal and consulting		86	237	824	1,148
Travel expenses		–	–	389	389
Provisions		–	–	1,712	1,712
Expenses and provision for litigation and claims		–	–	311	311
Other taxes and duties		–	–	363	363
Other		1,549	25	1,132	2,706
Total		33,812	393	7,861	42,065

24. Other Gains / (Expenses)

OTHER EXPENSES					
<i>All amounts in Euro thousands</i>					
		Consolidated		Company	
	Note	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Retirement provision	24	(449)	(248)	(495)	(214)
Cancellation of preliminary contracts		(146)	–	(146)	–
Lease compensations		–	(123)	–	(123)
Loss from disposal of PPE		–	(322)	–	–
Tax fines and surcharges		(445)	(370)	(273)	(140)
Social Securities		(0)	(7)	(0)	(2)
Litigation expenses		–	(36)	–	(36)
Robbery		(40)	–	(40)	–
Provision for depreciation of other inventory		–	(15)	–	–
Other		(2)	(22)	(1)	(0)
		<u>(1,082)</u>	<u>(1,143)</u>	<u>(955)</u>	<u>(515)</u>


OTHER GAINS

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Cancellation of preliminary contracts	1,302	2,299	-	-
Lease compensations	154	160	154	51
Other compensations	3	218	3	1
Lease Guarantees	10	4	0	0
Social Securities	-	3	-	-
Payables write-off	-	500	-	500
Other	1	2	-	1
	<u>1,469</u>	<u>3,186</u>	<u>157</u>	<u>553</u>

25. Finance expense (net)
FINANCE EXPENSES

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Bank Loan interest and other expenses	12,465	6,921	9,392	4,776
Interest expenses for preliminary SLB agreements and SLB contracts	30,231	21,003	20,254	16,477
Expenses for letters of guarantee	490	312	425	280
Finance Expenses due to IAS 32/39	264	-	264	-
Loss from derivatives	926	7,744	926	7,744
Other	1,679	901	1,465	688
	<u>46,056</u>	<u>36,881</u>	<u>32,726</u>	<u>29,966</u>

FINANCE REVENUE

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Interest received	2,165	539	1,495	143
Finance revenue from finance lease	4,131	9,505	4,131	2,441
Finance revenue due to IAS 32/39	12	474	-	411
Gains from derivatives	5,154	600	5,154	600
	<u>11,461</u>	<u>11,118</u>	<u>10,779</u>	<u>3,595</u>
Finance Expense - Revenue (net)	(34,595)	(25,763)	(21,946)	(26,370)

26. Employee benefit expense

<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Wages and salaries		12,516	10,355	11,398	6,919
Social security costs		4,309	3,639	3,938	2,136
Pension costs - defined benefit plans	18	475	271	521	226
Other		197	117	159	77
		<u>17,497</u>	<u>14,382</u>	<u>16,016</u>	<u>9,357</u>

Out of the total employee benefit expense, part is recognised as an expense in the income statement, while the remaining amount is included in construction in progress (inventory if it relates to construction in progress to be sold, or investment property under construction). The classification is as follows:



<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Cost of goods sold / Administrative expenses / Selling and marketing		9,436	4,731	9,257	4,525
Other Expenses	18	449	248	495	214
Construction in progress (included either in inventory or investment property under construction)		7,611	9,404	6,264	4,619
		<u>17,497</u>	<u>14,382</u>	<u>16,016</u>	<u>9,357</u>

The number of employees for the Group and the company as per 31 December 2007 is as follows:

	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Number of employees	521	492	505	386

27. Income tax expense

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Income Tax	2,506	2,036	2,055	-
Deferred income tax	(6,393)	32,003	(3,679)	2,649
	<u>(3,887)</u>	<u>34,039</u>	<u>(1,623)</u>	<u>2,649</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of the applicable profits of the consolidated companies as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Profit before tax	(11,645)	119,433	3,680	(30,908)
Tax calculated at domestic tax rates applicable to profits in the respective countries (2007: 25% and 2006: 29%)	(2,911)	34,636	920	(8,963)
Differences in tax rates on temporary differences	602	(13,791)	-	(424)
Income not subject to tax	(1,954)	(401)	(1,951)	(383)
Expenses not deductible for tax purposes	797	5,104	2,117	7,864
Utilization of previously unrecognised tax losses	(4,309)	-	(4,306)	-
Property taxes	518	108	459	-
Prior year tax differences	1,348	1,806	1,138	-
Tax losses for which no deferred income tax asset was recognised	2,023	6,577	-	4,555
Tax charge	<u>(3,887)</u>	<u>34,039</u>	<u>(1,623)</u>	<u>2,649</u>

28. Earnings per share

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Net profit attributable to shareholders	(7,472)	86,187	5,303	(33,556)
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	<u>(0.22)</u>	<u>2.54</u>	<u>0.16</u>	<u>(0.99)</u>



Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

The Company has no dilutive potential ordinary shares, therefore the diluted earnings per share is the same as the basic earnings per share.

29. Dividends per share

No dividends are to be proposed by the Board of Directors to the Annual General Meeting for the year ended 31 December 2007 exactly as for the fiscal year 2006.

The dividends paid in 2007 and 2006 were € 2,170 thousand (or 0.06 per share) and € 13,578 thousand (or 0.40 per share) respectively.

30. Cash generated from operations

<i>All amounts in Euro thousands</i>		Consolidated		Company	
	Note	1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006	1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006
Net profit		(7,758)	85,394	5,303	(33,556)
Adjustments for:					
– income tax expense	27	(3,887)	34,039	(1,623)	2,649
– depreciation and amortisation	7,8	551	471	399	343
– disposal of PPE	7	–	321	–	–
– (profit) / loss on sale of investment property		–	626	–	–
– (profit) / loss on sale of PPE		–	(1)	–	(1)
– net gain from fair value adjustment on investment property	6	(5,388)	(138,905)	(22,121)	(10,515)
– provision for inventory impairment	11	(1,372)	1,499	(1,372)	1,484
– increase in retirement provision	18	449	248	495	214
– increase in provision for doubtful debt	12	–	2,051	–	883
– increase in other provisions		1,862	1,621	1,021	830
– interest expense	25	45,130	29,137	31,800	22,222
– interest revenue	25	(6,308)	(10,519)	(5,626)	(2,996)
– (income) / loss from derivatives	25	(4,227)	7,144	(4,227)	7,144
– provision for participations impairment	9	–	–	(393)	7,648
– dividend (income) / loss	9	–	–	6,960	11,498
Changes in working capital:					
– trade and other receivables		1,382	2,134	(5,089)	18,746
– inventories		5,798	(9,770)	5,620	(9,347)
– payables		(8,258)	37,411	(465)	58,005
Cash generated from operations		<u>17,974</u>	<u>42,901</u>	<u>10,681</u>	<u>75,250</u>

In the cash flow statement, proceeds from sale of investment property comprise:

<i>All amounts in Euro thousands</i>		Consolidated		Company	
	Note	1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006	1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006
Cost of investment property sold	6	–	1,476	–	–
Profit / (loss) on sale of investment property		–	(626)	–	–
Proceeds from sale of investment property		–	850	–	–



In the cash flow statement, proceeds from sale of property plant equipment comprise:

<i>All amounts in Euro thousands</i>	Note	Consolidated		Company	
		1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006	1/1/2007 - 31/12/2007	1/1/2006 - 31/12/2006
Net book amount	7	1	-	1	-
Profit / (loss) on sale of PPE		(0)	1	(0)	1
Proceeds from sale of PPE		1	1	1	1

31. Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the company have given guarantees in the ordinary course of business amounting to € 49,435 thousand (2006: € 48,698 thousand) and € 45,737 thousand (2006: € 47,455 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 December 2007, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 3,602 thousand (2006: € 3,962 thousand) for which a total provision of € 867 thousand (€ 937 thousand) for the Group and € 417 thousand (2006: € 437 thousand) for the Company was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur. At 31 December 2007, there were pending court decisions for the cancellation of building permits as far as two buildings are concerned. However, no liability is expected to incur. At 31 December 2007, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 1,881 thousand (2006: € 1,881 thousand).

The companies included in the consolidation have been tax audited as follows : the parent company "Babis Vovos International Construction S.A." up to the fiscal year 2006, "Babis Vovos International Construction S.A. & Co G.P." up to the fiscal year 2002, "Ergoliptiki - Ktimatiki - Touristiki S.A." up to the fiscal year 2002, "Doma S.A." up to the fiscal year 1998, "International Palace Hotel S.A." up to the fiscal year 2002, "Alteco S.A." up to the fiscal year 1998 and "Elfinko S.A." up to the fiscal year 2004. A provision which burdened the fiscal years' results as well as previous fiscal years' results has been formed and there is no expectation that any significant additional liability will incur.

32. Other Liabilities

Capital commitments

There are no significant capital commitments at the balance sheet date.

Operating lease liabilities

The Group and the Company lease horizontal ownerships (building floors, retail shops, parking spaces) under non-cancellable operating lease agreements. The leases have varying terms related to the lease escalation, renewal rights and other clauses and have an average lease period of 8 years.



The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
No later than 1 year	21,412	17,032	15,301	12,493
Later than 1 year and no later than 5 years	50,030	51,029	45,669	41,459
Later than 5 years	25,578	23,788	23,844	17,661
	<u>97,020</u>	<u>91,849</u>	<u>84,814</u>	<u>71,613</u>

33. Related-party transactions

At 31 December 2007, Mr. Charalambos Vovos owns 35.02% of the parent company's shares and voting rights. The remaining 64.98% of the shares are widely held by international institutional investors, domestic institutional investors and private investors.

<i>All amounts in Euro thousands</i>	Consolidated		Company	
	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006	1/1/2007- 31/12/2007	1/1/2006- 31/12/2006
Sales of goods and services				
<i>Sales of goods</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	15	103
Key management personnel	558	-	558	-
	<u>600</u>	<u>-</u>	<u>573</u>	<u>104</u>
<i>Sales of services</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	-	1
Innovative Buildings S.A.	3	1	-	-
Marvo S.A.	-	4	-	4
Promise Cafe Ltd.	26	-	-	-
The Greek Coffee Company S.A.	134	-	-	-
	<u>163</u>	<u>6</u>	<u>-</u>	<u>6</u>
Purchases of goods and services				
<i>Purchases of goods</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	124	135
	<u>-</u>	<u>-</u>	<u>124</u>	<u>135</u>
<i>Purchases of services</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	121	98
Services of key management personnel	1,410	752	1,115	504
	<u>1,410</u>	<u>752</u>	<u>1,236</u>	<u>602</u>
Key management compensation				
Salaries and other short term employee benefits	1,350	1,003	1,350	1,003



<i>All amounts in Euro thousands</i>	Consolidated		Company	
	31 December 2007	31 December 2006	31 December 2007	31 December 2006
Year - end balances arising from sales / purchases of goods / services				
<i>Receivables from related parties</i>				
Babis Vovos International Construction S.A. & Co GP	-	-	42,016	36,476
Ergoliptiki - Ktimatiki - Touristiki S.A.	-	-	956	829
Innovative Buildings S.A.	1	2	1	1
Positive Ltd.	499	499	490	490
International Construction S.A. Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki S.A. & Co Ltd.	11,024	11,024	5,036	5,036
Marvo S.A.	5	5	5	5
Promise Cafe Ltd.	7	-	-	-
The Greek Coffee Company S.A.	128	-	128	-
Key management personnel	598	-	598	-
	<u>12,309</u>	<u>11,579</u>	<u>49,277</u>	<u>42,886</u>
<i>Payables to related parties</i>				
Doma S.A.	-	-	8,626	8,431
International Palace Hotel S.A.	-	-	3,850	3,864
Alteco S.A.	-	-	10,270	10,308
Elfinko S.A.	-	-	16,398	13,347
The Greek Coffee Company S.A.	1	-	-	-
Key management personnel	12,580	38,796	2,870	29,621
	<u>12,582</u>	<u>38,796</u>	<u>42,014</u>	<u>65,571</u>

Excluding the subsidiaries, related parties consist of companies to which the major shareholder of the parent company or members of the top management have strong influence in the decision making process.

Sale and purchase of services and goods from and to related parties are based on the price lists in force and terms that would be available to third parties.

The receivables and payables from and to related parties have no any specific due date and bear no interest.

34. Business combinations

During 2007, there was no business combination.

On May 22nd, 2006 the Company acquired 99.00% of "Elfinko S.A." A land plot of approximately 6,000 sqm at 340 Syggrou Avenue in Kallithea is the main asset of the aforementioned company. The company is domiciled in Greece. The acquired company contributed no revenues and net losses amounting to € 1,745 thousand to the Group result for the period from 22 May 2006 up to 31 December 2006. If the acquisition had been made on January 1st, 2006, it would have contributed revenues of € 20 thousand and net losses of € 2,613 thousands to the Group result.

The net assets acquired as well as the goodwill arising from the acquisition are as follows:

<i>All amounts in Euro thousands</i>	
Acquisition price:	
Cash outflow on acquisition	22,825
Total acquisition price	22,825
Fair value of net assets acquired	(22,825)
Goodwill	-



The assets and liabilities arising from the acquisition are as follows:

<i>All amounts in € thousands</i>	Fair value	Acquiree's carrying amount
Cash and cash equivalents	114	114
Investment Property	30,533	–
Property, plant and equipment	346	5,092
Intangible assets	–	14
Trade & Other Receivables	11	11
Trade & Other Payables	(1,505)	(1,505)
Net deferred tax liabilities	(6,443)	–
<i>Net assets</i>	<u>23,056</u>	<u>3,726</u>
Minority interests (1.00%)	(231)	–
Net assets acquired	<u>22,825</u>	–
Cash outflow on acquisition	22,825	–
Cash and cash equivalents in subsidiary acquired	(114)	–
Net Cash outflow on acquisition	<u>22,711</u>	–

The difference between the price and the accounting value of the acquired company's assets was added to the land plot value and, consequently, no goodwill arose on the above acquisition.

35. Events after the balance sheet date

1. Revision of the sale and leaseback contract for the building complex II located at Delta Falirou.

On January 16th, 2008, the subsidiary company "Babis Vovos International Construction S.A. & Co GP" signed a revision of the sale and leaseback contract with Alpha Leasing for the building complex II located at Delta Falirou. In summary, this revision includes:

- Increase of the sale price of the building and additional inflow from Alpha Leasing of € 16.92 million.
- Decrease of the interest rate for the aforementioned contract to Euribor 1month plus spread 2.25% (previously Euribor 1 month plus spread 2.50%).

2. Joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the under construction building located at 340 Syggrou Ave. – Repayment of the common bond loan of the subsidiary "Elfinko S.A."

On January 4th, 2008, the parent company as well as the subsidiary "Elfinko S.A." signed a joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the under construction building located at 340 Syggrou Ave. The agreement concerns 100% of the lettable area, the common area and the parking station. More specifically, it concerns 4,578 sqm of office space, 9,185 sqm of retail space, 2,133 sqm of storage space and 400 parking spaces.

The sale and lease back agreement of € 80 million signed (60% for the parent company and 40% for "Elfinko S.A.") comes to its maturity on January 3rd, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 1.80%. The amount of € 80 million was agreed to be gradually paid by the two leasing companies.



On January 4th, 2008, together with the aforementioned sale and lease back agreement, the subsidiary "Elfinko S.A." proceeded to the repayment of the common bond loan signed on June 16th, 2006 amounting at € 20 million with Eurobank.

3. Interest rate swap agreements

During February 2008, the company signed a new interest rate swap agreement with Lehman Brothers International. According to its provisions, the Company receives prepayments of € 7,000 thousand which actually are the interest calculated on a notional principal of € 70,000 thousand. The Company has the obligation to pay 5 yearly instalments commencing on February 11th 2009. These instalments are calculated as interest on the notional principal with a floating interest rate which varies according to the variations of the index Macro Quantitative Currency Strategies (MarQCUS Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website.

During February 2008, taking the aforementioned revisions of the sale and leaseback agreements of the last quarter 2007 and the first quarter 2008, the new joint sale and leaseback agreement for the under construction building located at 340 Syggrou Ave. as well as the expectations for gradual decrease of the Eurozone interest rates under consideration, the Group proceeded to a variation of the interest rate swap agreement with Credit Suisse. The variation of the agreement could be summarised as follows:

- Increase of the swap agreement notional principal at the levels of the current Group liabilities from sale and lease back agreements with leasing companies so that the swap agreement covers approximately 100% of them.
- Variation of the interest rates as follows: The Group receives the total amount of leases (which are floating according to the levels of Euribor 1month or Euribor 3month plus an average spread of 2.37%) for all the sale and leaseback transactions currently valid and pays a weighted amortisation of the notional principal plus Euribor 1month plus an average spread of 1.19%.
- Decrease of the cash inflows risk at the 2/3 of the revised notional principal of the swap agreement. More specifically, the fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. As long as the above two conditions stand, the Group's inflows follow the movement of EURIBOR 1month or EURIBOR 3month plus an average spread of 2.37% while the respective outflows follow the movement of EURIBOR 1month or EURIBOR 3month plus an average spread of 1.19%. Starting from July 30th, 2009 up to January 30th, 2020 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. Starting from January 30th, 2020, there will be a negative effect on the Group's cash inflows only in case that the first of the above two conditions does not stand. The above described negative effect will refer to the calendar days that the conditions do not stand for each respective period



mentioned above. It has to be noted that the above conditions refer to the 2/3 of the interest rate swap agreements leading to a lower risk as far as the Group cash inflows are concerned.

- Decrease of the volatility of the interest rate swap fair value. The variations of the difference as well as the level of the three reference interest rates have an effect on the fair value of the transaction which is recognised as finance expense or revenue in the income statement. The fact that the above does not refer to the total notional principal of the swap agreement as well as the fact that the cash flows follow the variations of EURIBOR 1month under the context of the expectations for a decrease in interest rates leads to a decrease of the volatility of the interest rate swap fair value.

During March 2008, the company proceeded to revisions and variations of the interest rate swap agreements with Deutsche Bank. Due to the positive development of the indices and the interest rate curves on which the swap agreements are based (see Derivatives), the company management decided to 'lock' part of the benefit from these transactions. More analytically, the company altered the swap agreements the development of which is dependent on the difference between the 10year and the 2year US dollar swap rate. The position concerning the agreement based on variation of the index Forward Rate Bias US Dollar (DBFRUU Index) from time 0 which is the signature date (the index level is announced daily at Bloomberg website) was also closed.

Starting from March 2008, the provisions of the above mentioned interest rate swap agreement in effect are as follows:

As far as the interest rate swap agreement for notional principal amounting to € 38,000 thousand is concerned, the company has already paid three instalments (January, July 2007 and January 2008) calculated as interest on the notional principal with an interest rate of 2%. Starting from January 2009, the Company has the obligation to pay 4 yearly instalments and 1 monthly instalment which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero.

The above provisions are valid for the interest rate swap agreement for notional principal amounting to € 20,000 thousand as well.

As far as the interest rate swap agreement for notional principal amounting to € 100,000 thousand is concerned, which is based on the variations of the index Forward Rate Bias US Dollar (DBFRUU Index), the position was closed by signing the reverse transaction with Deutsche Bank. The agreement provisions are altered. More specifically, the Company has already paid the first instalment calculated as interest on the notional principal with an interest rate of 1.95%. Starting from March 2008, the agreement was split in two parts. For a notional principal of € 21,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date (the index level is announced daily at



Bloomberg website). According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero. For a notional principal of € 79,000 thousand, the Company has the obligation to pay 4 yearly instalments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the average variation of the index EUR DB Balanced Harvest Index (DBHVBEUI Index) from time 0 which is the signature date (the index level is announced daily at Bloomberg website). According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero.

In summary, with the revisions of the above interest rate swap agreements with Deutsche Bank, the company lowers its liquidity risk decreasing the maximum coupon. The Company also closes the positions based on the US Dollar development and the relative interest rates and indices, opening positions which under the context of the expectations for a decrease in Eurozone interest rates, is expecting to have a positive result for the above mentioned transactions and to lower the finance cost. Additionally, there is a strong possibility that the company will eventually pay back an amount lower than the one received as interest calculated on a notional principal of the agreements since the minimum coupon is defined at zero.

4. Tax audit for the parent company

On February 2008, the tax audit for the parent company "Babis Vovos International Construction S.A." concerning the fiscal years 2004, 2005 and 2006 was finalised. The tax audit resulted in tax audit differences amounting to € 4,607 thousand. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 1,669 thousand burdened the income statement of 2007.



12.4 Management Review of the Board of the Directors of "Babis Vovos International Construction S.A."

For the 2007 Annual Parent and Consolidated Financial Statements

Dear shareholders,

We have the pleasure of submitting to you the financial statements for the fiscal year 2007 for your consideration and of informing you briefly of the following:

Our company's Balance Sheet with the Income Statement, the Cash Flow Statement, and the Changes in Equity have been drawn up based on the applicable legislation and the International Financial Reporting Standards, and cover the period 1/1/2007 - 31/12/2007 and depict the true and fair view of the Company's and Group's financial structure as at 31/12/2007.

The fiscal 2007 has proven to be a very significant year for BVIC Group. We have fulfilled our objectives of significantly advancing our projects under construction and successfully enhancing our leasing portfolio and development pipeline.

Net asset value per share for the Group before deferred tax decreased by 2% year-on-year to € 19.97. NAV per share after deferred tax stood at € 15.62, a 1% decrease compared to 2006. The Group's loss after tax for the year was € 7.8 million, compared to a profit after tax of € 85.4 million during 2006. These results were mainly driven by decreased revaluation gains from fair value adjustment of the Group's investment property compared to 2006. Specifically, net gain from fair value adjustment on investment properties of € 5 million was recorded in 2007 (mainly from an increase in the value of the land plot of the shopping mall under construction at Votanikos) compared to a € 139 million net gain in 2006 (due to the completion of the Delta Falirou project).

INVESTMENT PROPERTIES

BVIC's investment property portfolio stood at € 1,232 million, as at 31 December 2007, increased by 3% from the 2006 value of € 1,195 million. The increase in investment properties value was driven partially from additional costs incurred for projects under development, such as the commercial development at 340 Syggrou Avenue, the shopping mall at Votanikos and the tourist development at Poros, as well as an increase in the value of the Votanikos land plot which led to revaluation gain from fair value adjustment.

SOUNIO HOTEL DEVELOPMENT

During January 2008, the last one of the three building permits necessary for the development of three five star hotel units located on a sea-side plot, with a total above ground area of 12,000 sqm was issued. The development will commence immediately and is expected to be completed within 15 months. The development of the land plot in Sounio, in a particularly attractive location, will generate significant demand from Greek



and foreign hotel operators which will ensure long-term lease agreements for the units that will be developed.

340 SYGGROU AVENUE

The Group is developing at a fast pace the retail and office building with above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm and 393 parking spaces located at 340 Syggrou Avenue. The property on which, the aforementioned building is being constructed, had been acquired during 2006 through the acquisition of a company and it is included in investment property. The development has a substantial progress and the construction of the above ground surface has been completed.

POROS TOURIST DEVELOPMENT

The Group has already received all the necessary permits for the improvement of the existing hotel unit into a class A' hotel and the completion of the semi-detached residential units intended for tourist use. The internal works for the completion of the residential units has already started whilst the hotel unit is being refurbished. The project is scheduled for completion by the end of 2008.

VOTANIKOS SHOPPING MALL

During the previous year, Babis Vovos International Construction S.A. purchased a land plot with total surface of approximately 100,000 sqm in the area of combined urban regeneration and development of Votnikos according to L.3481/2006. According to the provisions of the aforementioned law, the company granted 57% of the total surface to the municipality of Athens ensuring the respective to the total surface building coefficient. During 2007, the demolition permit was issued and the demolition of the existing buildings was completed. At the beginning of July 2007, the excavation and retaining wall structure works permit has also been issued and the respective works are currently completed. During March 2008, the construction permit No.278/2008 concerning part of the underground parking area has been issued. The issuance of the building permit for the whole of the development is proceeding and the project is on target for completion in the end of 2009.

SALES

During 2007, BVIC signed sale agreements for approximately € 50 million including the sale of one of the buildings under construction at the HELEX Complex, as well as residential assets at the residential complex at Mortero N. Erythra and the building complex at Patmou and Agrafon.

108 – 110 ATHENS AVENUE (HELEX COMPLEX)

During the financial year 2006 BVIC signed a final sale agreement for Building C consisting of 5,000 sqm and 112 parking spaces, to the international insurance company Allianz S.A. for € 17.5m and during 2007 signed a final sale contract for Building B with the real estate investor "KanAm Grund" for a price of € 47.1 m. The revenue recorded based on the percentage of completion of the aforementioned buildings during the year is as follows reached € 53.5 m.

RESIDENTIAL PROPERTIES

The sale of residential units at Patmou and Agrafon Str. contributed € 1.6 in sales



revenue during 2007. In the residential complex located at Gymnastiriou str. in N.Erythrea two sale contracts of € 880 thousand were signed and the revenue recorded based on the percentage of completion reached € 741 thousand.

NEW LEASES

A pre-lease agreement was signed with Media Markt covering 7,291 sqm of retail space and 1,772 sqm of storage space at the commercial centre under construction at 340 Syggrou Avenue. The 10 year closed lease consists of an initial annual lease of € 2.34 million and there is the option of renewing the lease for another 10 years. The lease represents nearly 50% of the total lettable area of the commercial centre, which will be delivered by August 30th, 2008. Discussions for the letting of the remaining space are in the process and the estimated total annual rental revenue for 340 Syggrou Avenue is almost € 5 million.

SALE AND LEASEBACK AGREEMENTS

During 2007, the company proceeded with the refinancing of four of its sale and leaseback agreements, based on the rental growth that has occurred over the last few years from the lease agreement adjustment of Greek CPI and 100 bps. This resulted in an increase of the value of the assets at 6 Pouliou Str., 95-97 Kifissias Avenue (subject to two sale and leaseback agreements), and 221 Kifissias Avenue, amounting to a total additional notional amount of € 48 million for these assets.

For the building located at 6 Pouliou str. the revision includes an increase of the sale price with additional inflow from Ethniki Leasing of € 20.9 million, extension of the duration of the sale and lease back contract up to 25/11/2023 i.e. for 105 additional months, and decrease of the interest rate to Euribor 1month plus spread 1.80% (previously Euribor 1 month plus spread 2.20%).

For the building located at 95-97 Kifissias Avenue the revision includes an increase of the sale price with additional inflow from Alpha Leasing of € 13.6 million, extension of the duration of the sale and lease back contract up to 26/10/2027 i.e. for 140 additional months, and decrease of the interest rate to Euribor 1month plus spread 2.00% (previously Euribor 3 month plus spread 2.50%).

For other horizontal ownerships of the same building located at 95-97 Kifissias Avenue the revision includes an increase of the sale price with additional inflow from Piraeus Leasing of € 10 million, extension of the duration of the sale and lease back contract up to 27/12/2027 i.e. for 120 additional months, and decrease of the interest rate to Euribor 1month plus spread 1.80% (previously Euribor 3 month plus spread 2.50%).



For the building located at 221 Kifissias Avenue, BVIC and its subsidiary "Ergoliptiki – Ktimatiki - Touristiki SA" signed a revision which includes an increase of the sale price with additional inflow from Piraeus Leasing of € 4 million, extension of the duration of the sale and lease back contract up to 21/01/2028 i.e. for 108 additional months, and decrease of the interest rate to Euribor 1month plus spread 1.80% (previously Euribor 1 month plus spread 2.85%).

INVESTOR RELATIONS

During 2007, BVIC Group participated in numerous conferences including:

- Oddo Mid Cap Conference - Lyon, January 2007
- Sal Oppenheim Greek Conference -Athens, March 2007
- EPRA 2007 Annual Conference - Athens, September 2007
- Societe Generale - Pan European Real Estate Conference - London, October 2007

DIVIDEND

The Company will not distribute dividend to its shareholders for the fiscal year of 2007. This is a result of limited property sales in 2007 in line with the Group's strategy of retaining most of its income producing properties which are own-developed, and the necessity of extensive capital expenditure in order to finance the development pipeline.

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (price risk, interest rate risk), credit risk, liquidity risk and cash flow interest rate risk, extensive reference of which exists in the Notes to the Annual Financial Statements (Note 3).

FINANCIAL RATIOS 2007

Various basic financial ratios for the fiscal years 2007 and 2006 are as follows:

Ratios	Description	2007	2006
Return on total equity	Profit for the period (after tax) / Total equity	-1.4%	15.7%
Interest coverage	EBIT / Finance expenses (net)	0.7	5.6
Total debt ratio	Total liabilities / Total assets	62.3%	60.5%



EVENTS AFTER THE BALANCE SHEET DATE

1. Revision of the sale and leaseback contract for the building complex II located at Delta Falirou.

On January 16th, 2008, the subsidiary company "Babis Vovos International Construction S.A. & Co GP" signed a revision of the sale and leaseback contract with Alpha Leasing for the building complex II located at Delta Falirou. In summary, this revision includes:

- Increase of the sale price of the building and additional inflow of € 16.92 million.
- Decrease of the interest rate for the aforementioned contract to Euribor 1month plus spread 2.25% (previously Euribor 1 month plus spread 2.50%).

2. Joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the under construction building located at 340 Syggrou Ave. – Repayment of the common bond loan of the subsidiary "Elfinko S.A."

On January 4th, 2008, the parent company as well as the subsidiary "Elfinko S.A." signed a joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the under construction building located at 340 Syggrou Ave. The agreement concerns 100% of the lettable area, the common area and the parking station. More specifically, it concerns 4,578 sqm of office space, 9,185 sqm of retail space, 2,133 sqm of storage space and 400 parking spaces.

The sale and lease back agreement of € 80 million signed (60% for the parent company and 40% for "Elfinko S.A.") comes to its maturity on January 3rd, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 1.80%. The amount of € 80 million was agreed to be gradually paid by the two leasing companies.

On January 4th, 2008, together with the aforementioned sale and lease back agreement, the subsidiary "Elfinko S.A." proceeded to the repayment of the common bond loan signed on June 16th, 2006 amounting at € 20 million with Eurobank.

3. Interest rate swap agreements

During February 2008, the company signed a new interest rate swap agreement with Lehman Brothers International. According to its provisions, the Company receives prepayments of € 7,000 thousand which actually are the interest calculated on a notional principal of € 70,000 thousand. The Company has the obligation to pay 5 yearly installments commencing on February 11th 2009. These installments are calculated as interest on the notional principal with a floating interest rate which varies according to the variations of the index Macro Quantitative Currency Strategies (MarQCuS Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website.

During February 2008, taking the aforementioned revisions of the sale and leaseback agreements of the last quarter 2007 and the first quarter 2008, the new joint sale and leaseback agreement for the under construction building located at 340 Syggrou Ave. as well as the expectations for gradual decrease of the Eurozone interest rates under consideration, the Group proceeded to a variation of the interest rate swap agreement with Credit Suisse. The variation of the agreement could be summarised as follows:



- Increase of the swap agreement notional principal at the levels of the current Group liabilities from sale and lease back agreements with leasing companies so that the swap agreement covers approximately 100% of them.
- Variation of the interest rates as follows: The Group receives the total amount of leases (which are floating according to the levels of Euribor 1month or Euribor 3month plus an average spread of 2.37%) for all the sale and leaseback transactions currently valid and pays a weighted amortisation of the notional principal plus Euribor 1month plus an average spread of 1.19%.
- Decrease of the cash inflows risk at the 2/3 of the revised notional principal of the swap agreement. More specifically, the fair value of the transaction is affected by the movement of the difference between the 10year EURIBOR and the 1year EURIBOR as well as the movement of the difference between the 30year EURIBOR and the 10year EURIBOR and the prospects the following two conditions not to be valid at the same time: the difference between the 10year EURIBOR and the 1year EURIBOR being higher than or equal to -0.05% and the difference between the 30year EURIBOR and the 10year EURIBOR being higher than or equal to -0.12%. As long as the above two conditions stand, the Group's inflows follow the movement of EURIBOR 1month or EURIBOR 3month plus an average spread of 2.37% while the respective outflows follow the movement of EURIBOR 1month or EURIBOR 3month plus an average spread of 1.19%. Starting from July 30th, 2009 up to January 30th, 2020 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. Starting from January 30th, 2020, there will be a negative effect on the Group's cash inflows only in case that the first of the above two conditions does not stand. The above described negative effect will refer to the calendar days that the conditions do not stand for each respective period mentioned above. It has to be noted that the above conditions refer to the 2/3 of the interest rate swap agreements leading to a lower risk as far as the Group cash inflows are concerned.
- Decrease of the volatility of the interest rate swap fair value. The variations of the difference as well as the level of the three reference interest rates have an effect on the fair value of the transaction which is recognised as finance expense or revenue in the income statement. The fact that the above does not refer to the total notional principal of the swap agreement as well as the fact that the cash flows follow the variations of EURIBOR 1month under the context of the expectations for a decrease in interest rates leads to a decrease of the volatility of the interest rate swap fair value.

During March 2008, the company proceeded to revisions and variations of the interest rate swap agreements with Deutsche Bank. Due to the positive development of the indices and the interest rate curves on which the swap agreements are based (see Note 20 Derivatives), the company management decided to 'lock' part of the benefit from these transactions. More analytically, the company altered the swap agreements the development of which is dependent on the difference between the 10year and the 2year US dollar swap rate. The position concerning the agreement based on variation of the index Forward Rate Bias US Dollar (DBFRUU Index) from time 0 which is the signature date (the index level is announced daily at Bloomberg website) was also closed. Starting from March 2008, the provisions of the above mentioned interest rate swap agreement in effect are as follows:



As far as the interest rate swap agreement for notional principal amounting to € 38,000 thousand is concerned, the company has already paid three installments (January, July 2007 and January 2008) calculated as interest on the notional principal with an interest rate of 2%. Starting from January 2009, the Company has the obligation to pay 4 yearly installments and 1 monthly installment which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date. The index level is announced daily at Bloomberg website. According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero.

The above provisions are valid for the interest rate swap agreement for notional principal amounting € 20,000 thousand as well.

As far as the interest rate swap agreement for notional principal amounting to € 100,000 thousand is concerned, which is based on the variations of the index Forward Rate Bias US Dollar (DBFRUU Index), the position was closed by signing the reverse transaction with Deutsche Bank. The agreement provisions are altered. More specifically, the Company has already paid the first installment calculated as interest on the notional principal with an interest rate of 1.95%. Starting from March 2008, the agreement was split in two parts. For a notional principal of € 21,000 thousand, the Company has the obligation to pay 4 yearly installments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the variations of the index Forward Rate Bias Euro (DBFRUE Index) from time 0 which is the signature date (the index level is announced daily at Bloomberg website). According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero. For a notional principal of € 79,000 thousand, the Company has the obligation to pay 4 yearly installments which are calculated as interest on the notional principal with an interest rate of 2.25% for the first year. After the first year, the interest rate varies according to the average variation of the index EUR DB Balanced Harvest Index (DBHVBEUI Index) from time 0 which is the signature date (the index level is announced daily at Bloomberg website). According to the new provisions of the agreement there is a maximum coupon of 3.90% and the minimum coupon could be zero.

In summary, with the revisions of the above interest rate swap agreements with Deutsche Bank, the company lowers its liquidity risk decreasing the maximum coupon. The Company also closes the positions based on the US Dollar development and the relative interest rates and indices, opening positions which under the context of the expectations for a decrease in Eurozone interest rates, is expecting to have a positive result for the above mentioned transactions and to lower the finance cost. Additionally, there is a strong possibility that the company will eventually pay back an amount lower than the one received as interest calculated on a notional principal of the agreements since the minimum coupon is defined at zero.

τόνι είναι 0,00%,

4. Tax audit for the parent company

On February 2008, the tax audit for the parent company "Babis Vovos International Construction S.A." concerning the fiscal years 2004, 2005 and 2006 was finalised. The tax audit resulted in tax audit differences amounting to € 4,607 thousand. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 1,669 thousand burdened the income statement of 2007.



EXPLANATORY REPORT
TO THE SHAREHOLDERS' ORDINARY GENERAL MEETING OF
"Babis Vovos International Construction s.a." under article 11a L.3371/2005

This explanatory report of the Board of Directors to the Shareholders General Meeting contains detailed information according to the provisions set out in paragraph 1 article 11a of L.3371/2005.

a. Company's share capital structure

The share capital of "Babis Vovos International Construction S.A." amounts to Euro ten million one hundred and seventy nine thousand (10,179,000), divided into thirty three million nine hundred and thirty thousand (33,930,000) ordinary shares with voting right and a par value of Euro thirty cents (0.30) each. The Company's shares are traded on the Athens Stock Exchange market since May 30th, 2001. Each Company share embodies all the rights and obligations prescribed by the Law and the Company's Articles of Association, which does not include provisions more restrictive than the Law itself. Possession of the share title implies rightfully that its holder consents to the Company's Articles of Association and to the legal decisions made by the General Shareholders' Meetings.

Shareholders' liability is limited to the nominal value of held shares. Shareholders participate in the Management and in the Company's profit pursuant to the Law and the provisions of the Articles of Association. The rights and obligations deriving from each share, are transferred on any successor of the shareholder. Shareholders exercise their rights in relation to the Company's Management only through the General Meetings. Shareholders have a preference right over any future increase of the Company's Share Capital depending on their participation in the existing share capital, as defined in article 13, paragraph 5 of C.L. 2190/1920.

Each share provides a voting right. In order for joint holders of a share to have the right to vote, they need to designate to the Company in writing a common representative for that share, who will represent them in the General Meeting. Until designation the exercise of their rights is suspended.

Every shareholder has the right to participate in the General Meeting of the Company's shareholders, either in person, or by proxy. In order for a shareholder to participate in the General Meeting, he should deposit his/her shares in the Company's Treasury or in the Deposits and Loans Fund or in any Bank in Greece, at least five (5) days prior to the day set for the General Meeting. Proxies should be submitted to the Company within the above deadline. Shareholders who do not comply with the above, can participate in the General Meeting only after the latter's permission.

Shareholders who represent 5 per cent of the paid-up Share Capital:

- a. Have the right to request from the Court of First Instance of the district where the Company has its registered office, the audit of the Company pursuant to articles 40, 40e of C.L. 2190/1920, and
- b. May request the convention of an Extraordinary General Meeting of shareholders. The Board of Directors is obliged to convene the Meeting within a maximum period of thirty (30) days counting from the day the request was submitted to the Board's Chairman. Shareholders must specify in their request the issues to be resolved at the General Meeting.



Every shareholder may request, ten (10) days prior to the Annual General Meeting, the annual financial statements and the related reports of the Board of Directors and the Company's Auditors.

All persons or legal entities that are shareholders of the Company on the day the financial statements are approved by the Annual General Meeting of the shareholders or on any other day decided, are entitled to a dividend. The dividend of each share is paid to the shareholders at a time and place determined by the Annual General Meeting or by the Board of Directors after specific procurement. The place and manner of payment is announced through press release.

b. Restrictions on the assignment of the Company's shares

The Company's shares may be assigned as stipulated by Law and there are no further restrictions on their assignment set out in the Articles of Association, given that these are freely traded shares listed on the Athens Stock Exchange.

c. Major direct and indirect stake-holding in the meaning of PD 51/1992

The following shareholders hold as at 28/3/2008 directly or indirectly a stake higher than 5% of the total number of shares of the Company:

Shareholder	% Voting rights
Charalambos (Babis) Vovos	35.9479%

d. Shares with special control rights

There are no company shares delivering special control rights to their holders.

e. Restrictions on voting rights

The Company's Articles of Association stipulate no restrictions on the voting rights emanating from the shares thereof.

f. Agreements among shareholders of the Company

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

g. Regulations on the appointment and replacement of Board members and amendments to the Articles of Association

The regulations stipulated in the Company's Articles of Association regarding the appointment and replacement of Board members and amendments thereto, conform to the provisions of C.L. 2190/1920.

h. Authority of the Board to issue new shares or acquire treasury shares

As at 31.12.2007 there are no decisions of the General Meeting of Shareholders that grants power to the Board of Directors to increase the share capital through the issue of new shares or acquire treasury shares according to the provisions of article 16, of the C.L. 2190/1920.



i. Major agreement put in force, amended or terminated in the event of change in the control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

j. Agreements with Board members or staff of the Company

There are no agreements between the Company and its Board members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a public offer.

Following the above mentioned, please take into account the Notes to the Annual Financial Statements, in accordance with the International Financial Reporting Standards.

Finally, we would like to ask of you, dear Shareholders, to approve the financial statements of the fiscal year 2007 and to release the Board of Directors and the certified auditors - accountants of any responsibility for compensation regarding the fiscal year 2007.

You may ask for any further detailed explanation during the Annual General Meeting.

The Board of Directors
28 March 2008
Exact Copy

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards)

The figures illustrated below provide summary information about the financial position and results of BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's "Babis Vovos International Construction S.A." web site address where the above mentioned information is listed.

Registered Address: 340 Kifissias Avenue, 154 51 Neo Psychico

Director, Manager, Legal Representative: BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Marios Psaltis (SOEL Reg. No. 38081)

Auditing firm: PricewaterhouseCoopers S.A. (SOEL Reg. No. 113)

Type of auditor's opinion: Unqualified opinion - emphasis of matter

Parent Company Web site: www.babisvovos.com

BALANCE SHEET		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
ASSETS		
Investment property & Property, plant and equipment	322,747	333,373
Intangible assets	2,182	2,182
Inventories	2,196	3,433
Trade & other receivables	5,919	7,093
Cash and cash equivalents	15,587	19,966
Other Assets	198	198
TOTAL ASSETS	348,829	366,244
EQUITY AND LIABILITIES		
Long -term borrowings, including finance leases	91,495	90,656
Deferred income tax long term liabilities	41,780	44,187
Other long term liabilities	1,124	962
Short -term borrowings, including finance leases	30,513	31,361
Other short term liabilities	58,947	55,899
Total Liabilities (a)	223,859	223,066
Company capital	29	29
Retained earnings and reserves attributable the Company's equity holders	124,940	143,149
Total equity (b)	124,970	143,178
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	348,829	366,244

CASH FLOW STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Operating activities		
Net profit before tax	(20,405)	134,809
Adjustments for:	-	-
Depreciation and amortisation	152	105
Interest expenses / (revenues)	9,945	(2,515)
Provisions	1,322	1,644
Results (revenues, expenses, profit, loss) from investment activities	15,697	(130,202)
Cash generated from operating activities before changes in working capital	6,709	3,842
Decrease / (increase) of inventory	419	(423)
Decrease / (increase) in trade & other receivables	894	(3,642)
Increase / (decrease) in short term liabilities (bank liabilities not included)	912	(20,077)
Cash flows from operating activities	8,935	(20,300)
Interest paid	(10,925)	(4,316)
Income tax paid	252	(1,707)
Net cash generated from operating activities (a)	(1,738)	(26,323)
Cash flows from investing activities		
Additions in investment property, Property, plant and equipment	(4,405)	(62,290)
Proceeds from sale of investment property	-	850
Interest received	666	7,454
Net cash used in investing activities (b)	(3,739)	(53,986)
Cash flows from financing activities		
Borrowings payback	563	(11,681)
Borrowings inflows	-	63,871
Increase / (decrease) of short term financing	535	7,838
Net cash used in financing activities (c)	1,098	60,027
Net (decrease) / Increase in cash and cash equivalents (a) + (b) + (c)	(4,379)	(20,283)
Cash and cash equivalents at beginning of the year	19,966	40,249
Cash and cash equivalents at end of the year	15,587	19,966

INCOME STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Revenue	12,010	8,345
Gross profit / (loss)	6,368	1,237
Earnings (loss) before interest, tax, depreciation and amortisation	(10,309)	132,399
Earnings (loss) before interest and tax	(10,461)	132,294
Profit / (loss) before taxation - total	(20,405)	134,809
Minus: taxation	2,197	(31,674)
Net Profit / (loss) for the year - total	(18,208)	103,135

CHANGES IN EQUITY		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	143,178	40,043
Retained earnings	(18,208)	103,135
Equity balance (31/12/2007 and 31/12/2006 respectively)	124,970	143,178

Additional data & information:

- The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
- The company has been tax audited up to the fiscal year 2002.
- For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property amounting to € 40,691 thousand have been given by the company as at 31/12/2007.
- At 31/12/2007, there were pending court decisions over injunctions filed against the Company from third parties, for which a provision of € 450 thousand was formed. Based on the estimations of the company management and the legal counsels, the provision is considered adequate. There is no expectation that any significant additional liability will incur.
- Number of employees at the end of the year : 15 individuals (31/12/2006: 105).
- Related party transactions at 31/12/2007 :

	COMPANY
Sales of goods and services	
Sales of goods	
Babis Vovos International Construction S.A.	124
Sales of services	
Babis Vovos International Construction S.A.	121
Ergoliptiki - Klimatiki - Touristiki S.A	1
Doma S.A	3
International Palace Hotel S.A	1
Alteco S.A	1
Elfinko S.A.	9
Innovative Buildings S.A	3
Promise Cafe Ltd.	26
The Greek Coffee Company S.A.	134
	300
Purchases of goods and services	
Purchases of goods	
Babis Vovos International Construction S.A.	15
Purchases of services	
Services of key management personnel	295
Receivables from related parties	
Positive Ltd	10
Promise Cafe Ltd.	7
	16
Payables to related parties	
Babis Vovos International Construction S.A.	42,016
Doma S.A	72
Elfinko S.A.	1
The Greek Coffee Company S.A.	1
Key management personnel	9,710
	51,799
- Turnover Analysis according to STAKOD-2003 :

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Code 701.1 Development and sale of real estate :	-	850
Code 702.0 Leasing of private real estate :	11,614	7,360
Code 452.1 Construction of buildings and civil engineer technical works :	272	-
Code 515.3 Wholesale trade of wood, building material and sanitary goods :	124	135

8. Any differences to the totals are due to rounding.

ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards

The figures illustrated below provide summary information about the financial position and results of ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Avenue, 154 51 N. Psichiko Greece

Company's No. in the register of Societes Anonymes. : 3105/01AT/B/86/412/05)

Responsible Authority : Department of Societes Anonymes and Trade of the Prefecture of Athens (East Attica Sector)

Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Maria Vovos wife of Ch. Vovos Vice-Chairman, Thaleia Vovos, Armodios Vovos, Triada Vovos Members

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Anthonios Prokopidis (SOEL Reg. No. 14511)

Auditing firm: PKF Eurolegitiki S.A. (SOEL Reg. No. 132)

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET

Amounts in € thousand

	COMPANY	
	31/12/2007	31/12/2006
ASSETS		
Investment Property	6,722	7,425
Trade & other receivables	6,108	6,029
Cash and cash equivalents	416	38
Other Assets	3,879	3,881
TOTAL ASSETS	17,125	17,374
EQUITY AND LIABILITIES		
Long -term borrowings, including finance leases	1,694	1,322
Deferred income tax long term liabilities	1,160	1,428
Other long term liabilities	76	88
Short -term borrowings, including finance leases	33	57
Other short term liabilities	1,083	889
Total Liabilities (a)	4,046	3,784
Share capital	5,280	5,280
Retained earnings and reserves attributable the Company's equity holders	7,799	8,309
Total equity (b)	13,079	13,589
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	17,125	17,374

CASH FLOW STATEMENT

Amounts in € thousand

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Operating activities		
Net profit before tax	(699)	(2,098)
<i>Adjustments for:</i>		
Interest expenses / (revenues)	98	93
Provisions	(3)	8
Results (revenues, expenses, profit, loss) from investment activities	630	2,087
Cash generated from operating activities before changes in working capital	26	90
Decrease / (increase) in trade & other receivables	(84)	16
Increase / (decrease) in short term liabilities (bank liabilities not included)	99	754
Cash flows from operating activities	41	860
Interest paid	(92)	(93)
Income tax paid	81	(236)
Net cash generated from operating activities (a)	30	531
Cash flows from investing activities		
Net cash used in investing activities (b)	-	-
Cash flows from financing activities		
Borrowings inflows	400	-
Borrowings payback	(52)	(519)
Net cash used in financing activities (c)	348	(519)
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	378	12
Cash and cash equivalents at beginning of the year	38	26
Cash and cash equivalents at end of the year	416	38

INCOME STATEMENT

Amounts in € thousand

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Revenue	170	210
Gross profit / (loss)	103	147
Earnings (loss) before interest, tax, depreciation and amortisation	-	-
Earnings (loss) before interest and tax	(674)	(1,557)
Profit / (loss) before income tax - total	(699)	(2,098)
Minus: taxation	189	403
Net Profit / (loss) for the year - total	(511)	(1,696)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)		
	(0.68)	(2.26)

CHANGES IN EQUITY

Amounts in € thousand

	COMPANY	
	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	13,589	15,285
Retained earnings	(511)	(1,696)
Equity balance (31/12/2007 and 31/12/2006 respectively)	13,079	13,589

Additional data & information:

1. The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".

2. The company has been tax audited up to the fiscal year 2002.

3. For securing bank liabilities (including sale & leaseback liabilities), guarantees over the investment property amounting to € 1,500 thousand have been given by the company as at 31/12/2007.

4. There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.

5. Number of employees at the end of the year : 1 individual (31/12/2006: 1).

6. Related party transactions at 31/12/2007 :

	COMPANY	
Purchases of goods and services		
Purchases of services		
Babis Vovos International Construction S.A. & Co G.P.	1	
	1	
Receivables from related parties		
Ergoliptiki - Ktimatiki - Touristiki S.A & Co Ltd	5,988	
	5,988	
Payables to related parties		
Babis Vovos International Construction S.A.	956	
	956	
7. Turnover Analysis according to STAKOD-2003 :	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Code 702.0 Leasing of private real estate :	170	210

8. Any differences to the totals are due to rounding.

DOMA S.A.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards

The figures illustrated below provide summary information about the financial position and results of DOMA S.A. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. web site address where the above mentioned information is listed.

Registered Address : 64 Kifissias Avenue, 151 25 Maroussi Greece

Company's No. in the register of Societes Anonymes. : 22314/01A7/B/90/378(97)

Responsible Authority : Department of Societes Anonymes and Trade of the Prefecture of Athens (East Attica Sector)

Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Armodios Vovos Vice-Chairman, Thaleia Vovos, Triada Vovos, Maria Vovos wife of Ch. Vovos Members

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Anthonios Prokopidis (SOEL Reg. No. 14511)

Auditing firm: PKF Eurolegitiki S.A. (SOEL Reg. No. 132)

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET			INCOME STATEMENT		
Amounts in € thousand			Amounts in € thousand		
	COMPANY			COMPANY	
	31/12/2007	31/12/2006		1/1-31/12/2007	1/1-31/12/2006
ASSETS			Revenue	167	136
Investment Property	2,791	2,402	Gross profit / (loss)	140	113
Intangible assets	247	247	Earnings (loss) before interest, tax, depreciation and amortisation	647	66
Inventories	318	318	Earnings (loss) before interest and tax	647	66
Trade & other receivables	8,701	8,512	Profit / (loss) before income tax - total	648	67
Cash and cash equivalents	212	310	Minus: taxation	(133)	(34)
Other Assets	4	4	Net Profit / (loss) for the year - total	514	33
TOTAL ASSETS	12,272	11,793			
EQUITY AND LIABILITIES			Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	5.14	0.33
Deferred income tax long term liabilities	327	230			
Other long term liabilities	19	15			
Other short term liabilities	55	192			
Total Liabilities (a)	402	437			
Share capital	3,000	3,000			
Retained earnings and reserves attributable the Company's equity holders	8,870	8,356			
Total equity (b)	11,870	11,356			
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	12,272	11,793			
CASH FLOW STATEMENT			CHANGES IN EQUITY		
Amounts in € thousand			Amounts in € thousand		
	COMPANY			COMPANY	
	1/1-31/12/2007	1/1-31/12/2006		31/12/2007	31/12/2006
Operating activities			Total Equity (at 1/1/2007 and 1/1/2006 respectively)	11,356	11,323
Net profit before tax	648	67	Retained earnings	514	33
<i>Adjustments for:</i>			Equity balance (31/12/2007 and 31/12/2006 respectively)	11,870	11,356
Interest expenses / (revenues)	(1)	(1)			
Provisions	(137)	27			
Results (revenues, expenses, profit, loss) from investment activities	(389)	-			
Cash generated from operating activities before changes in working capital	121	94			
Decrease / (increase) in trade & other receivables	(189)	22			
Increase / (decrease) in short term liabilities (bank liabilities not included)	4	6			
Cash flows from operating activities	(64)	122			
Interest paid	(0)	(0)			
Income tax paid	(36)	30			
<i>Net cash generated from operating activities (a)</i>	<i>(100)</i>	<i>152</i>			
Cash flows from investing activities					
Interest received	1	1			
<i>Net cash used in investing activities (b)</i>	<i>1</i>	<i>1</i>			
Cash flows from financing activities					
<i>Net cash used in financing activities (c)</i>	<i>-</i>	<i>-</i>			
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	(99)	153			
Cash and cash equivalents at beginning of the year	310	157			
Cash and cash equivalents at end of the year	212	310			

Additional data & information:

- The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
- The company has been tax audited up to the fiscal year 1998.
- For securing bank liabilities of the parent company "Babis Vovos International Construction S.A.", guarantees over the investment property amounting to € 1,931 thousand have been given by the company as at 31/12/2007
- There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
- The company had no employees at 31/12/2007 and 31/12/2006.
- Related party transactions at 31/12/2007 :

	COMPANY
Purchases of goods and services	
Purchases of services	
Babis Vovos International Construction S.A. & Co G.P.	3
	3
Receivables from related parties	
Babis Vovos International Construction S.A.	8,626
Babis Vovos International Construction S.A. & Co G.P.	72
	8,698
- Turnover Analysis according to STAKOD-2003 :

	COMPANY
Code 702.0 Leasing of private real estate :	
	167
	136

INTERNATIONAL PALACE HOTEL S.A.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards)

The figures illustrated below provide summary information about the financial position and results of INTERNATIONAL PALACE HOTEL S.A. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Avenue, 154 51 N. Psichiko Greece

Company's No. in the register of Societes Anonymes. : 1934/01AT/B/86/468(05)

Responsible Authority : Department of Societes Anonymes and Trade of the Prefecture of Athens (East Attica Sector)

Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Armodios Vovos Vice-Chairman, Thaleia Vovos, Triada Vovos, Maria Vovos wife of Ch. Vovos Members

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Anthonios Prokopidis (SOEL Reg. No. 14511)

Auditing firm: PKF Eurolegitiki S.A. (SOEL Reg. No. 132)

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET

Amounts in € thousand

	COMPANY	
	31/12/2007	31/12/2006
ASSETS		
Property, plant and equipment	12	12
Trade & other receivables	3,850	3,864
Cash and cash equivalents	25	26
TOTAL ASSETS	3,887	3,902
EQUITY AND LIABILITIES		
Other short term liabilities	12	100
Total Liabilities (a)	12	100
Share capital	4,002	4,002
Retained earnings and reserves attributable the Company's equity holders	(127)	(200)
Total equity (b)	3,875	3,802
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	3,887	3,902

CASH FLOW STATEMENT

Amounts in € thousand

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Operating activities		
Net profit before tax	73	(47)
<i>Adjustments for:</i>		
Provisions	(87)	40
Cash generated from operating activities before changes in working capital	(14)	(7)
Decrease / (increase) in trade & other receivables	15	22
Increase / (decrease) in short term liabilities (bank liabilities not included)	(1)	(15)
Cash flows from operating activities	(1)	(1)
Income tax paid	-	16
<i>Net cash generated from operating activities (a)</i>	<i>(1)</i>	<i>16</i>
Cash flows from investing activities		
<i>Net cash used in investing activities (b)</i>	<i>-</i>	<i>-</i>
Cash flows from financing activities		
<i>Net cash used in financing activities (c)</i>	<i>-</i>	<i>-</i>
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	(1)	16
Cash and cash equivalents at beginning of the year	26	10
Cash and cash equivalents at end of the year	25	26

INCOME STATEMENT

Amounts in € thousand

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Revenue	-	-
Gross profit / (loss)	-	-
Earnings (loss) before interest, tax, depreciation and amortisation	73	(47)
Earnings (loss) before interest and tax	73	(47)
Profit / (loss) before income tax - total	73	(47)
Minus: taxation	-	(86)
Net Profit / (loss) for the year - total	73	(134)

Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share) 0.05 (0.10)

CHANGES IN EQUITY

Amounts in € thousand

	COMPANY	
	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	3,802	3,936
Retained earnings	73	(134)
Equity balance (31/12/2007 and 31/12/2006 respectively)	3,875	3,802

Additional data & information:

- The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
- The company has been tax audited up to the fiscal year 2002.
- No guarantees and mortgages have been given by the company.
- There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
- The company had no employees at 31/12/2007 and 31/12/2006.
- Related party transactions at 31/12/2007 :

	COMPANY
Purchases of goods and services	
Purchases of services	
Babis Vovos International Construction S.A. & Co G.P.	1
Receivables from related parties	
Babis Vovos International Construction S.A.	3,850
	3,850
- Any differences to the totals are due to rounding.

ALTECO S.A.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards)

The figures illustrated below provide summary information about the financial position and results of ALTECO S.A. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Ave., 154 51 Athens Greece

Company's No. in the register of Societes Anonymes. : 5247/01/AT/B/86/137(07)

Responsible Authority : Department of Societes Anonymes and Trade of the Prefecture of Athens (East Attica Sector)

Board of Directors : Christos Vovos Chairman, Thaleia Vovos Vice-Chairman & Chief Executive Officer, Armodios Vovos Chief Executive Officer, Triada Vovos, Evangelia Asimakopoulos Members

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Anthonios Prokpidis (SOEL Reg. No. 14511)

Auditing firm: PKF Eurolegktiki S.A. (SOEL Reg. No. 132)

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
ASSETS		
Investment Property	47,498	51,440
Inventories	15	15
Trade & other receivables	10,549	10,735
Cash and cash equivalents	16	53
Other Assets	-	86
TOTAL ASSETS	58,079	62,328
EQUITY AND LIABILITIES		
Long -term borrowings, including finance leases	18,552	18,771
Deferred income tax long term liabilities	6,909	7,911
Short -term borrowings, including finance leases	336	542
Other short term liabilities	243	332
Total Liabilities (a)	26,039	27,556
Share capital	1,033	1,033
Retained earnings and reserves attributable the Company's equity holders	31,006	33,739
Total equity (b)	32,039	34,772
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	58,079	62,328
CASH FLOW STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Operating activities		
Net profit before tax	(3,609)	(129)
<i>Adjustments for:</i>		
Interest expenses / (revenues)	1,400	1,231
Provisions	(148)	48
Results (revenues, expenses, profit, loss) from investment activities	3,942	345
Cash generated from operating activities before changes in working capital	1,585	1,495
Decrease / (increase) in trade & other receivables	38	672
Increase / (decrease) in short term liabilities (bank liabilities not included)	46	20
Cash flows from operating activities	1,669	2,187
Interest paid	(1,335)	(1,041)
Income tax paid	55	(570)
<i>Net cash generated from operating activities (a)</i>	389	576
Cash flows from investing activities		
Additions in investment property, Property, plant and equipment	-	-
<i>Net cash used in investing activities (b)</i>	-	-
Cash flows from financing activities		
Borrowings payback	(425)	(572)
<i>Net cash used in financing activities (c)</i>	(425)	(572)
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	(37)	4
Cash and cash equivalents at beginning of the year	53	48
Cash and cash equivalents at end of the year	16	53

INCOME STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Revenue	1,658	1,611
Gross profit / (loss)	1,648	1,600
Earnings (loss) before interest, tax, depreciation and amortisation	(2,209)	1,102
Earnings (loss) before interest and tax	(2,209)	1,102
Profit / (loss) before income tax - total	(3,609)	(129)
Minus: taxation	877	(108)
Net Profit / (loss) for the year - total	(2,733)	(237)
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)		
	(77.64)	(6.73)

CHANGES IN EQUITY		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	34,772	35,009
Retained earnings	(2,733)	(237)
Equity balance (31/12/2007 and 31/12/2006 respectively)	32,039	34,772

Additional data & information:

- The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
- The company has been tax audited up to the fiscal year 1998.
- For securing bank liabilities of the parent company Babis Vovos International Construction S.A., guarantees over the investment property amounting to € 14,300 thousand have been given by the company as at 31/12/2007.
- There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
- The company had no employees at 31/12/2007 and 31/12/2006.
- Related party transactions at 31/12/2007 :

COMPANY	
Purchases of goods and services	
Purchases of services	
Babis Vovos International Construction S.A. & Co G.P.	1
Receivables from related parties	
Babis Vovos International Construction S.A.	10,270
	10,270
- Turnover Analysis according to STAKOD-2003 :

COMPANY		
	1/1-31/12/2006	1/1-31/12/2005
Code 702.0 Leasing of private real estate :	1,658	1,611
- Any differences to the totals are due to rounding.

ELFINKO S.A.

Figures and information for the period of 1 January 2007 until 31 December 2007

(published according to art.135 of L.2190 for companies that publish annual financial results, consolidated and company, according to International Accounting Standards

The figures illustrated below provide summary information about the financial position and results of ELFINKO S.A. The reader who wishes to have a more complete view of the company's financial position and results has to gain access to the company's annual financial statements according to the International Financial Reporting Standards, as well as the auditors' report. Suggestively the reader can access the parent company's BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. web site address where the above mentioned information is listed.

Registered Address : 340 Kifissias Avenue, 154 51 N. Psichiko Greece

Company's No. in the register of Societes Anonymes. : 37/01A7/B/86/237(06)

Responsible Authority : Department of Societes Anonymes and Trade of the Prefecture of Athens (East Attica Sector)

Board of Directors : Charalampos Vovos Chairman & Chief Executive Officer, Triada Vovos Vice-Chairman, Thaleia Vovos, Christos Vovos, Stergios Agelaris Members

Date of approval of the annual Financial Results (from which the summary data were derived) : March 28th 2008

Certified Auditor Accountant: Anthonios Prokopidis (SOEL Reg. No. 14511)

Auditing firm: PKF Eurolegktiki S.A. (SOEL Reg. No. 132)

Type of auditor's opinion: Unqualified opinion

Parent Company Web site: www.babisvovos.com

BALANCE SHEET		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
ASSETS		
Investment Property	33,300	30,080
Trade & other receivables	16,407	13,356
Cash and cash equivalents	21	4,490
Other Assets	0	13
TOTAL ASSETS	49,728	47,939
EQUITY AND LIABILITIES		
Long-term borrowings, including finance leases	-	20,000
Deferred income tax long term liabilities	7,138	6,333
Short-term borrowings	20,000	-
Other short term liabilities	150	295
Total Liabilities (a)	27,289	26,629
Share capital	3,908	3,908
Retained earnings and reserves attributable the Company's equity holders	18,531	17,403
Total equity (b)	22,439	21,311
TOTAL EQUITY & LIABILITIES (c)=(a)+(b)	49,728	47,939

CASH FLOW STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Operating activities		
Net profit before tax	1,934	(2,493)
<i>Adjustments for:</i>		
Depreciation and amortisation	0	40
Interest expenses / (revenues)	1,207	584
Provisions	(153)	240
Results (revenues, expenses, profit, loss) from investment activities	(3,220)	877
Cash generated from operating activities before changes in working capital	(232)	(751)
Decrease / (increase) of inventory	-	121
Decrease / (increase) in trade & other receivables	(3,051)	(12,731)
Increase / (decrease) in short term liabilities (bank liabilities not included)	(5)	(2,045)
Cash flows from operating activities	(3,288)	(15,407)
Interest paid	(1,196)	(549)
Income tax paid	12	(104)
Net cash generated from operating activities (a)	(4,472)	(16,059)
Cash flows from investing activities		
Proceeds from sale of Property, plant and equipment	-	93
Interest received	3	4
Net cash used in investing activities (b)	3	98
Cash flows from financing activities		
Proceeds from disposal of other investments	-	91
Borrowings inflows	-	20,000
Net cash used in financing activities (c)	-	20,091
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	(4,470)	4,129
Cash and cash equivalents at beginning of the year	4,490	361
Cash and cash equivalents at end of the year	21	4,490

INCOME STATEMENT		
Amounts in € thousand		
	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Revenue	-	20
Gross profit / (loss)	-	(101)
Earnings (loss) before interest, tax, depreciation and amortisation	-	-
Earnings (loss) before interest and tax	3,140	(1,909)
Profit / (loss) before income tax - total	3,140	(1,909)
Minus: taxation	1,934	(2,493)
Net Profit / (loss) for the year - total	(805)	(121)
1,129	(2,613)	

Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)

0.32 (0.74)

CHANGES IN EQUITY		
Amounts in € thousand		
	COMPANY	
	31/12/2007	31/12/2006
Total Equity (at 1/1/2007 and 1/1/2006 respectively)	21,311	4,583
Net income recognised directly through Equity	-	19,330
Retained earnings	1,129	(2,603)
Equity balance (31/12/2007 and 31/12/2006 respectively)	22,439	21,311

Additional data & information:

- The obligation of the Company for publishing its financial statements under the International Financial Reporting Standards (IFRS) derives from the provisions of article 134 of L. 2190/1920. The company's financial information is included at the consolidated financial statements of "Babis Vovos International Construction S.A".
- The company has been tax audited up to the fiscal year 2004.
- For securing bank liabilities, guarantees over the investment property amounting to € 30,000 thousand have been given by the company as at 31/12/2007.
- There are no cases contested in courts or under arbitration or pending decisions of courts that are likely to affect the Company's financial position or operations.
- The company had no employees at 31/12/2007 and 31/12/2006.
- Related party transactions at 31/12/2007 :

	COMPANY
Purchases of goods and services	
<i>Purchases of services</i>	
Babis Vovos International Construction S.A. & Co G.P.	9
	<u>9</u>
Receivables from related parties	
Babis Vovos International Construction S.A.	13,347
	<u>13,347</u>
Payables to related parties	
Babis Vovos International Construction S.A. & Co G.P.	4
	<u>4</u>
- Turnover Analysis according to STAKOD-2003 :

	COMPANY	
	1/1-31/12/2007	1/1-31/12/2006
Code 501.0 Trade of cars - vehicles' spare parts	-	20
- Any differences to the totals are due to rounding.



12.11

Financial statements of the subsidiaries included in the consolidated financial statements

The financial statements of the subsidiaries that are included in the consolidated financial statements of "Babis Vovos International Construction S.A." are presented in the latter's website – www.babisvovos.com.



BABIS VOVOS BABIS VOVOS BABIS VOVOS BABIS VOVOS BABIS VOVOS



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