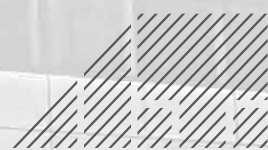


Annual Financial Report

'08



BABIS VOVOS

INTERNATIONAL
CONSTRUCTION S.A.

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1. Financial Highlights

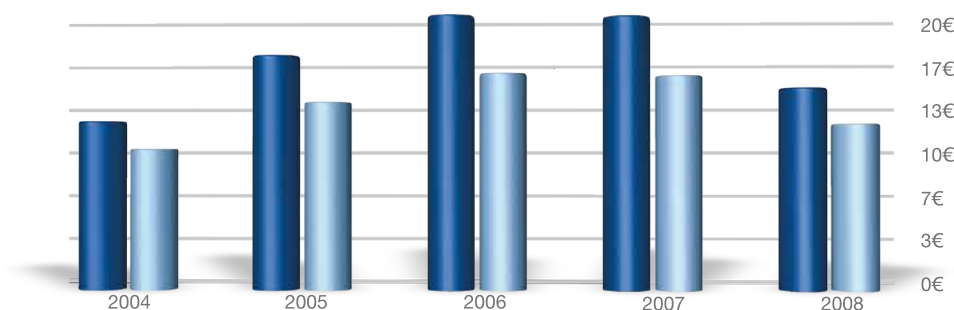


340 Syggrou Avenue

NAV per share before deferred tax (€)

NAV per share after deferred tax (€)

	2004	2005	2006	2007	2008
NAV per share before deferred tax	12.3	17.1	20.4	20.0	14.7
NAV per share after deferred tax	10.3	13.7	15.8	15.6	12.1



Gross fair market value of BVIC's property portfolio

€ 1,323 m.

■ A valuation increase of 8.1% vs 2007

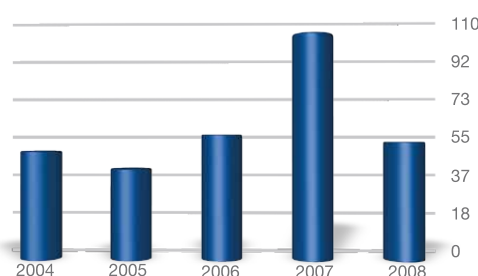
Net fair market value of BVIC's property portfolio

€ 838 m.

■ A valuation decrease of 4.3% vs 2007

Revenue (m. €)

	2004	2005	2006	2007	2008
Revenue	48.7	40.8	56.1	101.3	52.9



NAV per share before deferred tax

€ 14.66

■ A 27% decrease vs 2007

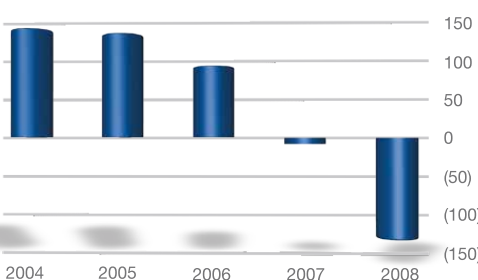
Revenue

€ 53 m.

■ A 48% decrease vs 2007

Profit After Tax (m. €)

	2004	2005	2006	2007	2008
Profit After Tax	130.5	124.4	85.4	-7.8	-120.9



EBITDA (loss)

€ 96 m.

■ vs EBITDA earnings of € 24 million in 2007

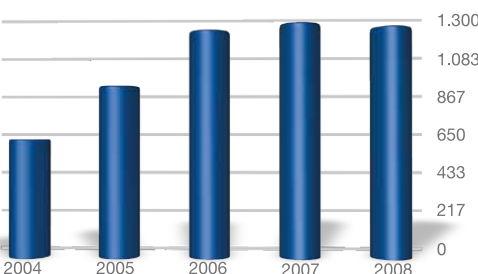
Investment Properties

€ 1,212 m.

■ A 2% decrease vs 2007

Investment Properties (m. €)

	2004	2005	2006	2007	2008
Investment Properties	625.0	904.4	1,194.7	1,231.7	1,212.0



Loss after tax

€ 121 m.

■ vs a loss after tax of € 8 million in 2007



2. Corporate Profile

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 220,000 today, valued at €1,323 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, LG Electronics, Marfin Bank, Media Markt, Microsoft, Norton Rose, Village Roadshow, Vodafone, WIND, the Hellenic Exchanges and the 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, 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.

■ Market leading position in the office sector

Property portfolio gross fair market value

€ 1,323 m.

■ Long and secure leases, blue chip tenants

BVIC owns and/or manages property over

220,000 sqm

■ Annual lease indexation at Greek CPI plus 100 bps

3. Chairman's Statement

Babis Vovos
Chairman



2008 was a year of unprecedented volatility in financial markets worldwide and it was a particularly challenging year for property groups worldwide. The adverse market conditions that have prevailed over the last 16 months have put pressure on asset values, reflecting changes in interest rates and risk premiums. Consequently, it was a difficult period for BVIC Group, but we believe that the structure of our portfolio leaves us well placed for this downturn, as it is well positioned to continue to generate a secure and growing rental income stream.

It gives me tremendous satisfaction to note that the Group's rental revenue increased by over 70% over the last four years, as we implemented our strategy of retaining prime assets the Group develops, in conjunction with the structure of our leases that are increased annually according to Greek CPI and 100 basis points. In line with this strategy, we completed the commercial centre at 340 Syggrou Avenue during 2008, with a lettable area of over 14,000 sqm, continuing to grow our rental revenue with new leases and new tenants. Over the course of the year we signed three new lease agreements, with a total annual lease income of over €3 million.

The Group's investment property portfolio consists almost exclusively of prime modern office and retail centres located in the most popular business districts in Athens. We have chosen to focus both geographically and by sector in areas where our in depth knowledge and 35 years of experience give us a clear competitive advantage, enabling us to enhance property returns through development, investment and management.

Approximately 60% of our income producing portfolio consists of office buildings, nearly all of which are large single tenant buildings. Our largest tenants are leading national and international corporations such as: Cosmote, Marfin Bank, Media Markt, Microsoft, Village Roadshow, Vodafone, Wind and the Greek State. We have entered into closed long leases for our Sale and Leaseback and Built Operate Transfer (BOT) portfolio, with a weighted average unexpired lease term of slightly over 9 years. We believe that the combination of prime assets, strong tenants and closed long leases provides us with a highly secure and visible income stream. Moreover, the fundamentals of the Athenian market offer security in this downturn given the scarcity of prime assets in the office market. It is a market that is dominated by owner-occupiers thus reducing the supply of office space available. In addition, heavy bureaucracy that is an impediment to new developments, as well as the scarcity of available land plots has served to further limit supply.

We have reviewed our strategic priorities in light of current market trends, and set the following main goals for the next few years minimizing the risk the Group undertakes, and aiming at generating long-term growth in shareholder value.

Our most immediate concern is the Votanikos development that is still suspended pending the decision by the Council of State on the constitutionality of the urban planning regulation for the Joint Regeneration of Votanikos and Alexandras Avenue (Law 3481/2006) that was voted in Greek parliament in 2006. Our building permit is based on this legislation, and hence is also called into question.

In the interim, we have explored our alternatives with our legal advisors, and we should at a minimum be able to ensure that the Group covers the land and construction cost of the project.

We have already developed nearly 2,400 parking spaces and over 9,000sqm of above ground building area. At year end, the construction cost that we had incurred for the project was in the area of €45 million while the land plot cost was €57 million, bringing the total cost to €102 million.

If the Council of State's verdict is negative we will seek compensation from the Greek State for the land plot acquisition as well as the demolition of the pre-existing industrial buildings. Moreover, the excavation of the land plot as well as the construction of the shopping mall were based on a building permit with prior approval from three ministerial bodies, and therefore we will also seek compensation for the construction cost.

The second goal in the short term, is the capital restructuring of the Group – in particular the refinancing of short-term bank borrowings. To this end, in the first quarter of 2009, management initiated negotiations with its lending banks in order to extend the repayment schedule of the bank loans, as well as restructure the respective loan contracts.

As a first step and in anticipation of the Council of State's verdict, we have proceeded with the refinancing of the debt associated with Votanikos, that accounts for over half of our short-term debt. The Group successfully refinanced the €125 million of debt associated to the project, in March 2009, extending its maturity from the 31 June 2009 to the 31 March 2010.

As far as new projects are concerned, we aim to grow our pipeline prudently. We have decided that an absolute pre-requisite in order for us to pursue new office developments is to have a secure mandate in place either from a corporate tenant and/or a property buyer or investor. This will enable the Group to use both equity and debt in order to finance the development and to continue generating profit and value for its shareholders, as well as maintaining its market leading position. With regard to our current pipeline, including the tourist development in Sounio, our focus for this year will be to secure presales or prelets for the projects in our pipeline.

Management will also seek to avoid the sale of investment assets under the current negative market conditions, with the possible exception of the tourist development on Poros-Galatas that will be completed in the next few months.

With this strategy we hope to maintain our NAV at its current level and gradually increase it from next year onward.

In conclusion, I would like to thank all of the staff at BVIC for their dedication and hard work, and our shareholders for their continued commitment and support.

4. CEO's Review



Aris Vovos
CEO



The negative environment prevailing in global financial markets in 2008 led to declines in property values around the world. BVIC also faced the added challenge of legal difficulties with the Votanikos project. Both of these factors are reflected in our annual results, that show a material reduction in our net asset value.

NAV per share before deferred tax stood at € 14.66, a 27% year-on-year decrease. The decrease in NAV was mainly due to a net loss from fair value adjustment on investment properties of €83.4 million.

During 2008, the Group recorded a net gain from fair value adjustment on investment property of €76.3 million from the completion of 340 Syggrou Avenue, and €1.9 million from the acquisition of the horizontal ownership at 1-3 Kifissias Avenue. These gains were offset at year-end by the impairment of the value of the land plot in Votanikos (Aghiou Polycarpou and Aghia Anna Str.) which represented a loss of €52.5 million, as well as a decrease of €109 million in the fair value of the investment property portfolio based on current market conditions.

The Group's rental revenue increased by 6.2% to € 47 million in 2008, as a result of new lease agreements that came into effect during the year, as well as rent adjustments on the existing lease agreements that include an annual upward revision based on Greek CPI plus 100 basis points. The new lease agreements that came into effect in 2008 were a lease with Media Saturn at 340 Syggrou Avenue and a new lease agreement with Media Markt at 49 Kifissias Avenue, as well as a lease with Panathinaikos for the asset purchased at 1-3 Kifissias Avenue in Q1 2008. The fact that two of our new lease agreements are with existing tenants demonstrates the strength of our relationship with them. These new lease agreements will contribute nearly €3 million during 2009, this translates into nearly 6% growth for our rental revenue, without taking into account the growth from the lease indexation, which on average during the first quarter of 2009 stood at approximately 2.6%, bringing the total growth in our rental revenue for 2009 to nearly 9%.

In terms of our total revenue for the year, it stood at € 53 million in 2008, a decrease of 48% compared to 2007. The main reason was the fact that property sales in 2008 were €5 million, whereas property sales in 2007 were € 56 million. Our sales in 2008 were generated mainly from the sale of residential assets at Patmou and Agrafo Street, and Gymnastiriou Str. – N. Erythrea whereas in 2007 we sold two buildings at the Hellenic Exchanges Complex.

Our EBITDA loss stood at € 96 million compared to earnings of € 24 million in 2007 due to the net loss from fair value adjustment on investment properties.

Net finance expenses stood at € 75 million in 2008 compared to €35 million in 2007, mainly due to a net loss from fair value adjustment of the interest rate swap agreements which amounted to € 32 million. It is important to note that this loss is from the mark to market of the swaps and is not a cash item. Also, we undertook € 219 million new borrowings in order to finance our development pipeline, that in conjunction with an increase in interest rates contributed to the increase in finance expenses.

This led to a loss before tax of € 172 million compared to € 12 million in the previous fiscal year and to a loss after tax of € 121 million, compared to a loss after tax of € 8 million in 2007.

In September 2008 corporate tax legislation changes were announced and enacted. Corporate income tax rates will gradually decrease by 1% annually, from 25% in 2008 and 2009, to 20% in 2014 and beyond. As a result of these changes in corporate tax legislation, the Group's deferred tax liability was reduced by € 24 million.

Turning to our balance sheet, our investment property portfolio stood at € 1,212 million a 1.6 % decrease from 2007. The decrease in investment properties stemmed from fair value adjustments to the property portfolio based on current market conditions, that were partially offset by an additional € 41 million of construction cost incurred during the year, as well as the completion of 340 Syggrou Avenue and the acquisition of 1-3 Kifissias Avenue.

Since 2004, we have completed over 80,000 sqm of developments, increasing our investment property value by 94% from € 625 million in 2004 to € 1,212 million in 2008 reflecting the Group's strategy during recent years to develop, retain and exploit its development properties rather than selling them.

The Group's bank debt (current and non-current) increased by 20.7% to € 263.0 million in 2008 mainly due to new loan facilities of € 113.7 million to cover the development costs at Votanikos, Poros and Sounio, as well as to provide working capital.

BVIC Group's finance lease liabilities (current and non-current) increased by 20.1 % vs 2007 to € 497.8 million. During 2008, the Group entered into two new sale and leaseback agreements for a total of € 88.3 million, for two new additions to its investment property portfolio. The first sale and leaseback agreement refers to the recently completed 340 Syggrou Avenue, and the second to the recently acquired horizontal ownership at 1-3 Kifissias Avenue. Additionally, the company proceeded with the refinancing of its sale and leaseback agreement for Delta Falirou Complex II, 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 Delta Falirou Complex II, amounting to a total additional notional amount of € 17 million for the asset.

One of our key objectives for 2009 is to restructure our debt, placing particular emphasis on our short-term debt in order to strengthen our balance sheet. We also intend to secure pre-lets on our undeveloped sites prior to commencing construction. Currently, we have a tourist development at Poros Galatas under construction, and we do not plan to commence construction of any new development, such as the hotel development in Sounio until we have a tenant or buyer for the asset.

We believe that our portfolio of prime assets, and our strong customer focus, as well as our strategy going forward will enable us to continue to meet challenges and to generate growth in shareholder value.

5. Property Portfolio Review

BVIC's gross property portfolio was valued by Colliers International, as at 31 December 2008, at € 1,323 million, an 8% increase from the 2007 valuation of € 1,225 million. The net value of the property portfolio was €838 million in December 2008, a 4% decrease from € 876 million in December 2007.

Based on the valuation provided by Colliers, BVIC's investment property portfolio stood at € 1,212 million, as at 31 December 2008, a 2 % decrease from the 2007 value of € 1,232 million.

The decrease in BVIC's investment property portfolio stemmed mainly from a € 109 million decrease in the fair value of the investment property portfolio based on current market conditions. The discount rate used for our sale and leaseback properties was increased from 6% at year-end 2007 to 7% in 2008 and from 6.8% at year-end 2007 to 8% in 2008 for our BOT properties. Moreover, the value of the Votanikos land plot was impaired by € 53 million, based on the court case for the Joint Regeneration of Votanikos and Alexandras Avenue. These decreases were almost entirely offset by the valuation increase from the completion of 340 Syggrou Avenue, that increased the property value by € 93 million. BVIC also acquired a floor at 1-3 Kifissias Avenue, increasing horizontal ownerships by nearly € 8 million. Investment properties were also increased by additional construction costs accumulated for projects under development. The total construction cost for our projects in 2008 stood at € 41 million, and arose mainly from the commercial development at 340 Syggrou Avenue, the shopping mall at Votanikos and the tourist development in Poros - Galatas. The Group's land plots that are not under construction presented insignificant valuation changes.

INVESTMENT PROPERTIES

The Group's investment property portfolio consists predominantly, nearly 50%¹, 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 30% of our producing property portfolio, not including the Votanikos development that accounts for another 12%. In recent years we concentrated our efforts on the retail real estate development sector where the combination of low supply, 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 3% 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 € 602 million, and they make up BVIC's largest asset class, with total annualised leases of € 24 million in 2008. The € 2.34 million annual lease agreement with Media Saturn for the recently completed 340 Syggrou Avenue, came into effect in September of 2008, and a further two lease agreements with Media Markt and Panathinaikos F.C. were only in effect for a few months in 2008.

BVIC has entered into sale and leaseback arrangements for 11 properties, comprising a total of almost 70,000 sqm of lettable area, and 4,181 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 were two additions to the Group's sale and leaseback portfolio during 2008. The first came from the completion of a retail and office development at 340 Syggrou Avenue covered by sale and leaseback agreements of € 80 million, corresponding to 14,108 sqm of retail and office space as well as 393 parking spaces. The second came from an asset that was repurchased in the office building at 1-3 Kifissias Avenue which was developed by the Group. It consist of nearly 1,000 sqm on the 4th floor as well as 23 parking spaces, covered by a sale and leaseback agreement of € 6.5 million.

¹ Office includes ground floor retail space and parking spaces..

A sale and leaseback agreement is a financial lease where the Group sells a property or part thereof, to a Greek leasing company subject to a lease (normally on institutional terms) for a fixed period of time, usually 10 – 15 years. 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, the property may revert to the Group, usually at a nominal cost.

PROPERTY ADDRESS	DESCRIPTION	LETTABLE AREA (m ²)	PARKING SPACES	SLB CONTRACT VALUE (€ m)	SLB CONTRACT DURATION
340 Syggrou Avenue	Retail and office building	14,108	393	80.0	2008-2028
Delta Falirou II	Retail and leisure complex	13,663	738	75.9	2006-2019
49 Kifissias Avenue	Office building	9,671	516	46.0	2005-2022
66 Kifissias Avenue	Office complex	8,207	853	80.0	2004-2018
95 – 97 Kifissias Avenue	Office building	6,610	1,037	74.1	2004-2027
6 Pouliou Street	Retail and office building	6,590	192	48.8	2003-2023
24 Kifissias Avenue	Office complex	3,019	204	20.9	2002-2014
1-3 Kifissias Avenue	Office building	2,987	87	15.5	2003-2015 2008-2028
221 Kifissias Avenue	Office space	2,571	128	19.0	2004-2027
174 Syggrou Avenue	Office building	1,945	37	5.3	2003-2015
109-111 Kifissias Avenue	Retail space	595	-	4.0	2003-2013
Total		69,966	4,181	469.5	

PROPERTY ADDRESS	TENANT	OCCUPATIONAL LEASE DURATION	YEARLY LEASE (€ m) AS AT 31/12/2008
340 Syggrou Avenue	Media Saturn	2008-2020	2.3
Delta Falirou II	Village Roadshow, Media Markt	2006-2018	3.9
49 Kifissias Avenue	Media Markt, Ependysi Ltd.	2005-2018	2.6
66 Kifissias Avenue	Wind	2001-2018	5.4
95 – 97 Kifissias Avenue	Cosmote	2004-2019	3.6
6 Pouliou Street	ASEP	2003-2015	2.3
24 Kifissias Avenue	Marfin Bank	2002-2014	1.1
1 – 3 Kifissias Avenue	Minsitry of Internal Affairs, Ministry of Public Works and Panathinaikos F.C.	2003-2015	1.1
221 Kifissias Avenue	Microsoft	2004-2016	1.1
174 Syngrou Avenue	Bestend Publishing	2005-2017	0.4
109-111 Kifissias Avenue	Vacant	-	-
Total			23.9

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 (€ m) AS AT 31/12/2008
Ethnikis Antistaseos	Vodafone	2004 -2022	5.3
Delta Falirou I	Norton Rose, LG Electronics	2006-2018	2.4

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 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 nearly 13,222 sqm of lettable area, and 2,047 parking spaces.

PROPERTY ADDRESS	DESCRIPTION	AREA (m ²)	PARKING SPACES
Poros	Hotel	3,800	-
10 – 12 Kifissias Avenue	Office space, storage space and retail	3,184	136
32 Kifissias Avenue	Office space, storage space	1,544	326
Delta Falirou II	Leisure space	910	-
64 Kifissias Avenue	Storage space, retail shop	749	47
60 Kifissias Avenue	Office space and storage space	616	170
56 Kifissias Avenue	Storage space	550	89
4 Vasilissis Sofias Avenue	Residential	469	-
44 Kifissias Avenue	Retail shop, storage space	443	303
Mauromixali Street	Residential	356	-
49 Kifissias Avenue	Storage space	274	-
3 Premetis Street	Retail shop, storage space	141	22
14 Kifissias Avenue	Retail shop	108	18
62 Kifissias Avenue	Retail shop	50	69
340 Kifissias Avenue	Retail shop	28	155
24 Kifissias Avenue	Parking	-	471
66 Kifissias Avenue	Parking	-	223
Acadimias Street	Parking	-	17
7 Kifissias Avenue	Parking	-	1
Total		13,222	2,047

Under Construction

At the end of 2008, BVIC had nearly 102,000 sqm of lettable area, on a total land area of 138,360 sqm under construction, including the Votanikos shopping mall 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 2008, their total value was € 202 million.

The largest project under development is the shopping mall in Votanikos, valued at € 143 million. The land plot is located within the borders of the Metropolitan intervention and combined urban regeneration and development of the areas of Alexandras Avenue and Votanikos. The building permit obtained in August of 2008 is for a shopping mall of approximately 70,000 sqm of above ground gross lettable area as well as 2,400 parking spaces, making it the largest shopping mall development in Greece. The expected total land and construction cost is circa € 250 million. During 2008, the Group completed the nearly all of the 2,400 parking spaces and 9,000 sqm of above ground area, with a total construction cost of nearly € 45 million. The project is currently pending the Council of State's decision regarding the constitutionality of the building permit.

PROPERTY ADDRESS	DESCRIPTION	LAND AREA (m ²)	BUILDING AREA (m ²)
Votanikos – Aghia Annis & Aghiou Polycarpou	Shopping mall	43,216	69,000
Poros – Galatas	Hotel Development	30,000	18,000
Sounio	Resort complex	62,144	12,089
109 – 111 Kifissias Avenue	Office Development	3,000	3,062
		138,360	102,151

Land Plots

As at December 31, 2008, BVIC owned 4 land plots with a total surface area of nearly 4,770 sqm.

PROPERTY ADDRESS	AREA (m ²)
338 Kifissias Avenue	1,973
Amaroussiou – Chalandriou Avenue	1,260
Theotokopoulou Street	933
Dimitsanas & Kaltetzon Street	600
	4,766

6. 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, 2008

Athens, March 30, 2008

Dear Sirs:

In accordance with the terms of our appointment as independent appraisers, we have conducted a revaluation 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 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 fair 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, 2008 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 fair 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, 2008.

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, 2008 of:

PROPERTY CATEGORY	ESTIMATED FAIR VALUE 2008 (€) (ROUNDED)
Land Plots	11,510,000
Under Construction Properties	271,700,000
Transfer of Building Coefficient	38,240,000
Investment Properties	1,002,037,165
Total Gross Value of the Portfolio	1,323,487,165
Less: Value of the Sale & Leaseback Obligations to the Leasing Companies	(403,857,704)
Less: NPV of the lease obligation payments of the BOT agreements	(81,333,553)
Total Net Value of the Portfolio	838,295,909

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,

COLLIERS INTERNATIONAL HELLAS



Andreas Marambos

Managing Director

Project Team:

Dimitris Papachristos Director Valuation Services	Spyros Raptis Manager Valuation Services	George Dussias Senior Manager Valuation Services
Ioannis Kaligiannakis Valuer	Mary Plysi Junior Valuer	



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.





Annual Financial Report

'08

For the fiscal year ended 31 December 2008
(In accordance with the provisions of Article 4 L. 3556/2007)

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A. Statement of the Board of Directors

(In accordance with the provisions of Law 3556 / 2007 – article 4 – par. 2)

Hereby, it is confirmed that to the best of our knowledge, the annual company and consolidated financial statements of 'Babis Vovos International Construction S.A.', for the fiscal year 2008, have been prepared in accordance with the International Financial Reporting Standards and provide a true and fair view of the Assets, the Liabilities, the own capital and the financial results of the company and the entities included in the consolidated financial statements, taken as a whole.

Furthermore, it is confirmed that to the best of our knowledge, the full year Board of Directors' Report presents in a true way the progress, the performance and the net equity position of the company as well as the companies included in the consolidation in total, with a description of the major risks and uncertainties they confront.

Athens, 30 March 2009

CHAIRMAN OF THE BoD

CHARALAMBOS VOVOS
Id. C. No AB 287946

CHIEF EXECUTIVE OFFICER

ARMODIOS VOVOS
Id. C. No F 015559

VICE CHAIRMAN OF THE BoD

THALEIA VOVOS
Id. C. No P 073106

B. Board of Directors Report

of the company “Babis Vovos International Construction S.A.” on the consolidated and company financial statements for the fiscal year ended 31 December 2008

Dear shareholders,

We have the pleasure of submitting to you Management Review of the Board of Directors of Babis Vovos – International Construction S.A. for the consolidated and company financial statements for the fiscal year 2008 according to the provisions of L.3556/2007, C.L. 2190/1920 as well as the decision 7/448/11.10.2007 of the Board of Directors of the Capital Market Commission. We inform you the following:

This Annual Financial Report includes all the information according to the provisions of paragraph 7 and 8 of L.3556/2007, the Company and Consolidated Balance Sheet with the Income Statement, the Cash Flow Statement, and the Changes in Equity, the Notes to the financial statements as well as the Independent Auditor's Report. It was prepared based on the applicable legislation and the International Financial Reporting Standards, covers the fiscal year 1/1/2008 - 31/12/2008 and depicts the true and fair view of the Company's and Group's financial structure as at 31/12/2008.

The fiscal 2008 has proven to be one significant year but difficult 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 26.6% year-on-year to € 14.66. Group NAV per share after deferred tax stood at € 12.06, a 22.8% decrease compared to 2007. The Group's loss after tax for the year was € 120.9 million, compared to € 7.8 million during 2007. These results were mainly driven by negative net fair value adjustments of the Group's investment property compared to 2007. Specifically, net loss from fair value adjustment on investment properties of € 83.4 million was recorded in 2008 (mainly due to impairment in the fair value of the land plot at Aghiou Polycarpou and Aghia Anna Str in Votanikos and to the re-measurement of the fair value of the investment property portfolio based on current market conditions) compared to a € 5 million net gain in 2007 due to the fair value adjustment of the land plot in Votanikos.

1. GROUP FINANCIAL POSITION

INCOME STATEMENTS OF FISCAL YEARS 2007-2008

amounts in thousand €	1/1/ 2008 31/12/2008	1/1/ 2008 31/12/2007
Revenue	52,863	101,293
Gross profit / (loss)	12,592	27,387
Earnings / (loss) before interest, tax, depreciation and amortization	(96,243)	23,501
Earnings / (loss) before interest and tax	(96,757)	22,950
Less: tax	50,947	3,887
Profit / (loss) for the year	(120,901)	(7,758)
Attributable to:		
Equity holders of the company	(120,775)	(7,472)
Minority interest	(126)	(286)

Revenue

At 31.12.2008, the consolidated revenue reached at € 52.9 million compared to € 101.3 million approximately of the previous fiscal year decreased by 47.8%. The consolidated revenue is analysed as follows:

REVENUE

amounts in thousand €	1/1/ 2008 31/12/2008	1/1/ 2008 31/12/2007	% CHANGE
Rental income	46,772	44,060	6.16%
Property sales	4,724	55,874	(91.55%)
Construction works	1,367	1,310	4.39%
Other	-	50	(100.00%)
Total	52,863	101,293	(47.81%)

The above table indicates that there has been a significant increase in the rental revenue (6.16%). That resulted from new lease agreements that came into effect during 2008 and contributed to rental revenue as well as rent adjustments on the existing lease agreements that include an annual upward revision based on Greek CPI plus 100 basis points.

A significant decrease in the property sales was also recorded (91.55%). This was mainly due to the fact that, during 2008, property sales mainly included sales of residential units amounting to € 4 million in comparison to 2007 when the revenue recorded from the sale contracts of buildings B and C at the HELEX complex at 108-110 Athens Avenue amounted to € 53.5 million. Revenue from property sales, during 2008, includes revenue from the sale of four apartments located at Patmou ☉ Agrafon street in Maroussi as well as from the sale of six under construction residences located at Building Block 270 in N. Erythrea.

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

The Group's loss before interest, tax, depreciation and amortization (EBITDA) at 31.12.2008 reached at € 96.24 million compared to earnings before interest, tax, depreciation and amortization amounting to € 23.5 million approximately of the previous fiscal year.

This decrease was mainly based on the net loss from fair value adjustment on investment property of € 83.4 million (31.12.2007: net gains € 5.4 million). During the previous fiscal year, there were no significant variations in current market values while, at the same time, there was a fair value adjustment of the land plot in Votanikos leading to marginal gains from fair value adjustment of the investment property portfolio. During 2008, there was a net loss from fair value adjustment of investment properties of € 83.4 million mainly referring to the fair value impairment of the land plot in Votanikos as well as the effect of the financial crisis to the current market values of the property portfolio.

Profit / (loss) before tax

At 31 December 2008, the Group recorded a loss before tax of € 171.8 million compared to € 11.6 million of the previous fiscal year. This significant negative variation between the two fiscal years is, as mentioned before, due to the net loss from fair value adjustment on Group investment property as well as the increased financial expenses. Group net financial expenses amounted to € 75 million in comparison to € 35 million of the previous fiscal year. The main reason for this increase is the net loss from fair value adjustment of the interest rate swap agreements which amounted to € 32.4 million. This negative variation to the fair value mainly stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months of 2008.

Profit / (loss) after tax

Group loss after tax for the fiscal year 2008 amounted to € 120.9 million compared to € 7.8 million of the previous fiscal year. During September 2008, new tax legislation changes were announced and enacted referring to the corporate income tax rates. Corporate income tax rates will gradually decrease by 1% annually, from 25% for 2008 and 2009 to 20% for 2014 and after. Consequently, the Group deferred tax liability was reduced by € 23.6 million.

CONSOLIDATED BALANCE SHEETS OF THE FISCAL YEARS 2007 – 2008

amounts in thousand €	2008	2007
ASSETS		
Investment property and property, plant and equipment	1,222,844	1,242,347
Intangible assets	18,942	18,934
Inventories	32,545	31,868
Trade and other receivables	85,746	37,212
Cash and cash equivalents	12,858	92,706
Derivative assets	2,380	-
Other assets	596	576
TOTAL ASSETS	1,375,911	1,423,644
EQUITY & LIABILITIES		
Long-term borrowings	530,315	535,096
Deferred income tax long term liabilities	88,402	147,558
Derivative liabilities	49,167	17,145
Other long-term liabilities	6,413	5,904
Short-term borrowing	230,534	97,254
Derivative liabilities	10,328	3,129
Other short term liabilities	44,732	80,637
Total liabilities	959,891	886,723
Share capital	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders	398,946	519,721
Capital and reserves attributable to the company's equity holders	409,125	529,900
Minority interest	6,894	7,020
Total equity	416,019	536,920
TOTAL EQUITY & LIABILITIES	1,375,911	1,423,644

Investment property and property, plant and equipment

The Group's investment property and property, plant and equipment have decreased by 1.6% compared to the fiscal year 2007 and reached at € 1,222.8 million versus € 1,242.3 million approximately during the previous fiscal year. This decrease is mainly due to the fair value adjustments of the property portfolio based on current market conditions. The Group's property value increased by more than 100% according to the balance sheet figures from € 456.5 million in 2003 to € 1,222.8 million in the fiscal year 2008 (an increase of approximately 167.9%), reflecting the group strategy, during the last years, in aiming development, retaining and exploiting of its property instead of selling it.

Inventories

The variation in inventories during 2008 (€ 32.5 million) compared to 2007 (€ 31.9 million) results mainly from additional construction costs for the under construction residential properties located at N. Erythrea which are intended to be sold. The total increase of inventories is lower though, since some of the appartments at Patmou & Agrafon Str. in Maroussi as well as residences in N. Erythrea were sold.

Borrowings

During the fiscal year 2008, the Group's new borrowings amounting at € 218.9 million refers, almost at 70%, to new borrowings of the parent company. Part of the new borrowings amounting to € 113.7 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 2008, there was a revision of the sale and leaseback agreement for the building complex at Delta Falirou 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 revision resulted in an increase of the price by € 17 million for the aforementioned building complex which is recorded as new borrowing. Additionally, two new sale and leaseback agreements were signed during the year amounting at total to € 88.3 million and are referring to the property located at 340 Syggrou Avenue as well as horizontal ownerships at the building located at 1-3 Kifissias Avenue.

STRUCTURE OF THE GROUP'S BORROWINGS

amounts in thousand €	2008	2007
Bank borrowings	263,016	217,846
Finance lease liabilities	497,833	414,504
Total borrowings (a)	760,849	632,350
Cash and equivalent (b)	12,858	92,706
Net Borrowings (a) – (b)	747,991	539,644

TOTAL BORROWINGS OF THE GROUP AT DECEMBER 31ST. 2008

amounts in thousand €	2008
Bank borrowings	263,016
Sale & lease - back contracts	456,144
Preliminary sale & lease - back contracts	8,000
Build Operate Transfer agreements (BOT)	33,589
Machinery finance leases	100
Total borrowings	760,849

Net borrowings represent 56.5% of the gross value of property portfolio (€ 1,323.5 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 NAV of the Group, after minority interest, reached at € 409.1 million representing a decrease of 22.8% compared to the previous fiscal year (€ 529.9 million). The main reason of the decrease of NAV during 2008, is that even if the building complex located at 340 Syggrou Avenue was completed leading to a gain from fair value adjustment of € 76.3 million, there was a negative adjustment in fair value of the existing investment properties leading to a total net loss of € 83.4 million. The continuous increase of the Group's NAV remains the main strategy of the management.

DATA PER SHARE FOR THE FISCAL YEARS 2007 – 2008

amounts in thousand €	1/1/2008 31/12/2008	1/1/2007 31/12/2007
Earnings/(loss) before interest, tax, depreciation and amortization ⁽¹⁾	(2.84)	0.69
Profit / (loss) before tax ⁽¹⁾	(5.06)	(0.34)
Profit / (loss) for the year ⁽¹⁾	(3.58)	(0.23)
NAV per share before deferred tax	14.66	19.97
NAV per share	12.06	15.62

Notes: (1) The amounts are before the deduction of minority interest.

The NAV per share of the Group before deferred tax reached at € 14.66 decreased by 26.6% compared to 2007 (€ 19.97), while the Group's NAV per share after deferred tax reached at € 12.06 decreased by 22.8% compared to 2007 (€ 15.62).

Financial Ratios 2008

Various basic financial ratios for the fiscal years 2008 and 2007 are as follows:

RATIOS	DESCRIPTION		2008	2007
Return on total equity	Profit for the period (after tax)	/ Total equity	-29.1%	-1.4%
Interest coverage	EBIT	/ Finance expenses (net)	-1.3	0.7
Total debt ratio	Total liabilities	/ Total assets	69.8%	62.3%
Gearing ratio	Net debt	/ Total equity + Net Debt	64.3%	50.1%

2. RISKS AND UNCERTAINTIES

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.

Property value variation

The Group is exposed to property value variation and lease variation risk. Up to the fiscal year 2006, the Group had continuously increasing net gains from fair value adjustment of existing investment properties. During the fiscal year 2007 and 2008, there was a correction in the values of investment properties and any positive variation was mainly stemming from additions in Investment property portfolio. A continuing decreasing trend of the investment property values, during the second half of 2008, will have negative effect both to the Group financial results and profitability as well as the Group Net Asset Value (NAV). At 31 December 2008, if the value of properties had been 5% higher / lower, while all other variables held constant, company result would have been higher / lower by € 37,800 thousand (2007: € 39,470 thousand) respectively. For the Group, it would have been higher / lower by € 57,152 thousand (2007: € 59,635 thousand) respectively. There would have also been a respective effect on the Group's and company's Net Asset Value.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments (bank and financial institutions credit risk) as well as credit exposure to customers (customer credit risk). The Group co-operates with some of the largest and financially credible banks and financial institutions in the Greek and international market with a minimum rating BBB (Fitch).

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.

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 ability of the Group to enter into long term lease agreements with an annual upward revision based on Greek CPI plus 100 basis points ensures stability of the Group cash inflows from the investment property portfolio minimising the liquidity risk.

The increasing financing needs for the property portfolio pipeline of the Group are fully covered, until today, through borrowing contracts signed with various financial institutions. At 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand. This amount includes a loan amounting to € 125 million relating to the company project at Votanikos. The suspension of construction works for this project creates uncertainty as far as the future cash flows of the company since the suspension causes a delay to the restructuring of the repayment schedule and the facility amount of this loan which was to be defined through a new loan agreement for the refinancing of the existing loan and its increase for the completion of the construction. Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, give to the company the right to extend the repayment schedule up to 31/3/2010. Company management, assessing all the factors, has proceeded to restructuring actions with the intention of better serving the company working capital needs will have a positive effect on the company efficiency.

Interest rate risk

The Group's interest rate risk mainly arises from long-term borrowings (bank loans and finance leases) derivative liabilities. 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. A possible increasing trend for the interest rates 2009 will result into an increase of the Group financial expenses. The Group partly manages its cash flow interest rate risk by using an interest rate swap agreement referring to the sale and leaseback agreements. According to this interest rate swap agreement, which is analysed below, at 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). However, the variability of the interest curves and the uncertainty conditions prevailing during the last months for the markets affect the expectations in the short term and affect the fair value of the derivatives.

At 31 December 2008, 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 € 5,739 thousand (2007: € 1,651 thousand) mainly as a result of higher / lower interest expense on floating rate borrowings. Respectively, for the Group € 7,588 thousand (2007: € 2,402 thousand). There would have also had been a respective effect on the Group's and company's Net Asset Value.

3. FUTURE PROSPECTS AND OUTLOOK

2008 was a very negative year for the prices and valuations of most of the investment assets categories including investment properties. More specifically the bankruptcy of Lehman Brothers investment bank, which caused a material increase of investment risk as well as sharp credit crunch to both corporate and individual clients, had a significant negative impact on the global property market.

As a result, the management of BVIC adjusted its strategy into the new market conditions of negative investors' psychology, lower valuations and significant decrease in gearing. This negative market environment became even worse for BVIC Group following the suspension of its development work in Votanikos project which temporarily has a negative impact on both the value of its property portfolio and its bank financing ability.

The general strategy of the Group is now very conservative aiming to undertake the least possible corporate risk. Under this line the management has set the following goals for the next two years:

1. To proceed to the capital restructuring of the Company especially the short term bank borrowings that amount for € 216 million. The management has initiated negotiations with its creditors aiming to move forward the payment of both interest and capital of this year's loans to at least a two year period.
2. To pursue new projects of developing office buildings. The major prerequisite should be to have a secure mandate in place either from a corporate tenant and/or a property buyer or investor. This will make possible the financing of the development with both equity and debt. The secure development of new projects is of material importance for the Group in order to continue generating profit and creating value for its shareholders as well as retain its leading market position while waiting for the final verdict of the Supreme Court on Votanikos project that will make clear if the current business plan of the project will move forward.
3. To avoid liquidation of investment assets in such a negative environment for sellers. The sole exemption could be the Poros project.
4. To continue its best effort along with its legal advisers in getting a positive court decision on the current Votanikos project litigation. This will enable the successful completion and exploitation of the project in the most efficient way.

The inevitable adjustment of the Group's NAV into the new market valuations and current status of the Group's investment projects resulted to a significant NAV decline of 23%. The main management goal on the NAV front is to retain it around the current level and gradually increase it from next year onwards if the market conditions turn more favorable.

4. RELATED-PARTY TRANSACTIONS (IAS 24)

At 31 December 2008, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
SALES OF GOODS AND SERVICES				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	3	15
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	3	-
Key management personnel	-	558	-	558
	-	558	6	573
Sales of services				
Innovative Buildings S.A	3	3	-	-
Promise Cafe Ltd.	79	26	-	-
The Greek Coffee Company S.A.	200	134	-	-
	282	163	-	-
PURCHASES OF GOODS AND SERVICES				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	19	124
	-	-	19	124
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	120	121
Services of key management personnel	1,238	1,410	1,227	1,115
	1,238	1,410	1,347	1,236
KEY MANAGEMENT COMPENSATION				
Salaries and other short term employee benefits	1,537	1,350	1,537	1,350

	CONSOLIDATED		COMPANY	
	31 DECEMBER 2008	31 DECEMBER 2007	31 DECEMBER 2008	31 DECEMBER 2007
YEAR-END BALANCES ARISING FROM SALES/ PURCHASES OF GOODS/SERVICES				
RECEIVABLES FROM RELATED PARTIES				
Babis Vovos International Construction S.A. & Co GP	-	-	32,213	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	749	956
Innovative Buildings S.A	3	1	-	1
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	11,024	4,886	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	571	128	553	128
Key management personnel ⁽¹⁾	27,486	598	27,486	598
	39,493	12,309	66,429	49,277
PAYABLES TO RELATED PARTIES				
Doma S.A	-	-	8,891	8,626
International Palace Hotel S.A	-	-	3,841	3,850
Alteco S.A	-	-	10,066	10,270
Elfinko S.A.	-	-	26,157	16,398
The Greek Coffee Company S.A.	-	1	-	-
Key management personnel	86	12,580	86	2,870
	86	12,582	49,040	42,014

Note 1: An amount of € 26,930 thousand concerns advance for participation purchase

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.

5. EVENTS AFTER THE BALANCE SHEET DATE

1. Votanikos project update

During January 2009, the three member Committee of Suspensions of the Council of State decided in favour of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

2. Repayment before maturity and re-purchase of the building A located at 24 Kifissias Avenue as well as new sale and leaseback contract with Alpha Leasing.

On March 4th, 2009, the company repaid before maturity of the existing sale and lease back contract and repurchased the Building A of the Building complex located at 24 Kifissias Avenue. The price was set at € 10.4 million which reflects the outstanding principal of the initial sale and leaseback contract for the aforementioned building. At the same date, the company signed a new sale and leaseback contract with Alpha Leasing for the same building. The new sale and leaseback contract includes, exactly as the previous one, the total of horizontal ownerships of Building A of the aforementioned Building complex as well as 204 parking spaces. The new sale and lease back agreement of € 26.4 million signed comes to its maturity on March 4th, 2019 with a duration for 10 years. The interest rate defined is Euribor 3month plus a spread of 2.50%.

6. INFORMATION OF ARTICLE 4 OF L. 3556/2006

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 L 3556/2007

The following shareholders hold as at 31/12/2008 directly or indirectly a stake higher than 5% of the total number of shares of the Company:

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 31.12.2008 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.

SHAREHOLDER

% VOTING RIGHTS

Charalambos (Babis) Vovos

37.4162%

d. Shares with special control rights

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

Translation from the original text in Greek

C. Independent Auditor's Report

To the Shareholders of the Babis Vovos S.A.

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 2008 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 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 the system of 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 system of 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 2008, and of their financial performance 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 our opinion, we draw your attention to note 6 of the financial statements, which describes certain uncertainties surrounding the Votanikos project, as well as their potential impact on the financial position of the Company and Group which cannot be estimated at present time.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

Athens, March 31, 2009

PRICEWATERHOUSECOOPERS 

D. Annual Financial Statements

BALANCE SHEET

All amounts in Euro thousands

		CONSOLIDATED		COMPANY	
	NOTE	31 DECEMBER 2008	31 DECEMBER 2007	31 DECEMBER 2008	31 DECEMBER 2007
ASSETS					
Non-current assets					
Investment property	6	1,212,018	1,231,727	824,096	827,569
Property, plant and equipment	7	10,826	10,620	2,080	1,708
Intangible assets	8	18,942	18,934	16,514	16,506
Investments	9	18	18	47,563	47,871
Derivative assets	20	1,791	-	1,791	-
Other non-current receivables	12	578	558	386	370
		1,244,174	1,261,858	892,429	894,024
Current assets					
Inventories	11	32,545	31,868	33,592	35,085
Trade and other receivables	12	85,746	37,212	105,921	67,866
Derivative assets	20	589	-	589	-
Cash and cash equivalents	13	12,858	92,706	11,174	76,429
		131,737	161,786	151,277	179,381
Total assets		1,375,911	1,423,644	1,043,706	1,073,404
EQUITY					
Capital and reserves attributable the Company's equity holders					
Share capital	14	10,179	10,179	10,179	10,179
Share premium	14	36,653	36,653	36,653	36,653
Reserves	15	23,838	23,053	25,244	25,244
Retained earnings		338,455	460,015	175,868	276,912
		409,125	529,900	247,944	348,988
Minority interest		6,894	7,020	-	-
Total equity		416,019	536,920	247,944	348,988
LIABILITIES					
Non-current liabilities					
Borrowings	16	530,315	535,096	359,490	423,356
Deferred income tax liabilities	17	88,402	147,558	47,761	91,680
Retirement benefit obligations	18	2,475	2,246	2,346	2,113
Derivative liabilities	20	49,167	17,145	49,167	17,145
Other non-current liabilities	19	3,938	3,658	2,767	2,571
		674,297	705,703	461,532	536,865
Current liabilities					
Trade and other payables	19	27,450	74,055	102,409	134,159
Income tax		15,770	5,257	4,385	3,015
Borrowings	16	230,534	97,254	216,136	46,373
Dividend payable		456	459	456	459
Provisions for other liabilities & expenses	21	1,057	867	517	417
Derivative liabilities	20	10,328	3,129	10,328	3,129
		285,594	181,020	334,230	187,551
Total liabilities		959,891	886,723	795,762	724,416
Total equity and liabilities		1,375,911	1,423,644	1,043,706	1,073,404

The notes on pages 44 to page 100 are an integral part of these consolidated financial statements.

INCOME STATEMENT

All amounts in Euro thousands

	NOTE	CONSOLIDATED		COMPANY	
		01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Revenue	22	52,863	101,293	38,064	87,563
Cost of sales	23	(40,271)	(73,906)	(37,050)	(68,625)
Gross profit		12,592	27,387	1,015	18,938
Net gain from fair value adjustment on investment property	6	(83,386)	5,388	(64,334)	22,121
Selling and marketing costs	23	(324)	(986)	(317)	(849)
Administrative expenses	23	(25,363)	(9,226)	(15,139)	(7,219)
Other gains	24	32	1,469	14	157
Other expenses	24	(309)	(1,082)	(275)	(955)
Operating profit		(96,757)	22,950	(79,036)	32,193
Gain / (Loss) from investment in subsidiaries	9	-	-	1,629	(6,567)
Finance revenue	25	17,050	11,461	14,893	10,779
Finance expenses	25	(92,141)	(46,056)	(81,311)	(32,726)
Finance expenses (net)	25	(75,091)	(34,595)	(66,418)	(21,946)
Profit before income tax		(171,848)	(11,645)	(143,825)	3,680
Income tax expense	27	50,947	3,887	42,781	1,623
Profit for the year		(120,901)	(7,758)	(101,044)	5,303
ATTRIBUTABLE TO:					
Equity holders of the Company		(120,775)	(7,472)	(101,044)	5,303
Minority interest		(126)	(286)	-	-
		(120,901)	(7,758)	(101,044)	5,303
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	28	(3.56)	(0.22)	(2.98)	0.16

The notes on pages 44 to page 100 are an integral part of these consolidated financial statements

STATEMENT OF CHANGES IN EQUITY

All amounts in Euro thousands

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP				MINORITY INTEREST	TOTAL EQUITY
	Note	Share capital	Share premium	Other reserves	Retained earnings		
Balance at 1 January 2007		10,179	36,653	23,053	467,487	7,306	544,678
Profit / (loss) for the year		-	-	-	(7,472)	(286)	(7,758)
Balance at 31 December 2007		10,179	36,653	23,053	460,015	7,020	536,920
Profit / (loss) for the year		-	-	-	(120,775)	(126)	(120,901)
Transfer to statutory reserve	15	-	-	785	(785)	-	-
Balance at 31 December 2008		10,179	36,653	23,838	338,455	6,894	416,019

COMPANY STATEMENT OF CHANGES IN EQUITY

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				TOTAL EQUITY
		Share capital	Share premium	Other reserves	Retained earnings	
Balance at 1 January 2007		10,179	36,653	25,244	271,609	343,685
Profit / (loss) for the year		-	-	-	5,303	5,303
Balance at 31 December 2007		10,179	36,653	25,244	276,912	348,988
Profit / (loss) for the year		-	-	-	(101,044)	(101,044)
Balance at 31 December 2008		10,179	36,653	25,244	175,868	247,944

The notes on pages 44 to page 100 are an integral part of these consolidated financial statements.

CASH FLOW STATEMENT

All amounts in Euro thousands

		CONSOLIDATED		COMPANY	
	NOTE	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	30	(87,569)	17,974	(72,645)	10,681
Interest paid		(48,683)	(40,919)	(37,577)	(27,370)
Income tax paid		(4,456)	(2,296)	(3,492)	(2,660)
Net cash generated from operating activities		(140,708)	(25,241)	(113,713)	(19,349)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions in investment property (acquisitions & development)	6	(63,677)	(25,159)	(60,860)	(20,755)
Additions in property, plant and equipment & intangible assets	7.8	(855)	(329)	(855)	(329)
Proceeds from sale of property, plant and equipment	30	15	1	-	1
Interest inflow		6,523	6,296	4,370	5,626
Net cash used in investing activities		(57,994)	(19,192)	(57,345)	(15,457)
CASH FLOWS FROM FINANCING ACTIVITIES					
Inflows / (outflows) - derivatives		3,519	5,630	3,519	5,630
Borrowings inflows		218,938	157,340	154,243	156,940
Borrowings payback		(91,097)	(68,955)	(49,162)	(69,041)
Increase / (Decrease) of other short - term financing		(12,503)	(26,216)	(2,793)	(26,751)
Dividends paid to the Company's shareholders	29	(3)	(2,170)	(3)	(2,170)
Net cash used in financing activities		118,853	65,629	105,804	64,608
Net increase / (decrease) in cash and cash equivalents		(79,848)	21,196	(65,255)	29,802
Cash and cash equivalents at beginning of the year		92,706	71,509	76,429	46,627
Cash and cash equivalents at end of the year	13	12,858	92,706	11,174	76,429

The notes on pages 44 to page 100 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 2008 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 340 Kifissias Avenue, 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 2008 have been approved for issue by the Board of Directors on March 30th, 2009.

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.

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.

As indicated in the Balance Sheet of 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand.

Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, provide the company with the right to extend the repayment schedule up to 31/3/2010.

Company management, assessing all the factors referring to the company's future profitability as well as the working capital needs, has proceeded to restructuring actions, which will have a positive effect on the company efficiency.

Nevertheless, due to the significant uncertainty considering the completion of the Votanikos project (see Note 6), company management is not able to know with certainty the positive outcome of all the efforts referred above.

The company and consolidated financial statements have been prepared using generally accepted accounting principles applicable to a going concern. They do not include any adjustments to reflect the possible future effects on Assets and Liabilities and Equity as far as their recoverability and classification is concerned, that may result from the outcome of the Company's inability to continue its business activities as a going concern.

The management has no intention or need of short term liquidation of company assets.

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 year ended 31 December 2008

- **IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets** (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group's financial statements.

Interpretations effective for year ended 31 December 2008

- **IFRIC 11 – IFRS 2: Group and Treasury share transactions** (effective for annual periods beginning on or after 1 March 2007)

This interpretation 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** (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to companies that participate in service concession arrangements. 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** (effective for annual periods beginning on or after 1 January 2008)

This interpretation 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.

Standards effective after year ended 31 December 2008

- **IAS 1 (Revised) "Presentation of Financial Statements"** (effective for annual periods beginning on or after 1 January 2009)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

- **IAS 23 (Amendment) "Borrowing Costs"** (effective for annual periods beginning on or after 1 January 2009)

This standard 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.

- **IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments** (effective for annual periods beginning on or after 1 January 2009)

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

■ **IAS 39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items** (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

■ **IFRS 1 (Amendment) “First time adoption of IFRS” and IAS 27 (Amendment) “Consolidated and separate financial statements”** (effective for annual periods beginning on or after 1 January 2009)

The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. As the parent company and all its subsidiaries have already transitioned to IFRS, the amendment will not have any impact on the Group's financial statements.

■ **IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations** (effective for annual periods beginning on or after 1 January 2009)

The amendment clarifies the definition of “vesting condition” by introducing the term “non-vesting condition” for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group does not expect that these amendments will have an impact on its financial statements.

■ **IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements”** (effective for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

■ **IFRS 8 “Operating Segments”** (effective for annual periods beginning on or after 1 January 2009)

This standard 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.

Interpretations effective after year ended 31 December 2008

■ **IFRIC 13 – Customer Loyalty Programmes** (effective for annual periods beginning on or after 1 July 2008)

This interpretation clarifies the treatment of entities that grant loyalty award 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 15 - Agreements for the construction of real estate** (effective for annual periods beginning on or after 1 January 2009)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. The Group will apply IFRIC 15 from 1 January 2009.

- **IFRIC 16 - Hedges of a net investment in a foreign operation** (effective for annual periods beginning on or after 1 October 2008)

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

Amendments to standards that form part of the IASB's annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2008 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2009.

- **IAS 1 (Amendment) "Presentation of financial statements"**

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on the Group's financial statements.

- **IAS 16 (Amendment) "Property, plant and equipment"** (and consequential amendment to IAS 7 "Statement of cash flows")

This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The Group will apply this amendment from 1 January 2009.

- **IAS 19 (Amendment) "Employee benefits"**

The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.

- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply these amendments from 1 January 2009. It is not expected that these amendments will have an impact on the Group financial statements.

■ **IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"**

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations as there are no loans received from the government.

■ **IAS 27 (Amendment) "Consolidated and separate financial statements"**

This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone accounts.

■ **IAS 28 (Amendment) "Investments in associates"** (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. This amendment is not relevant to the Group.

■ **IAS 28 (Amendment) "Investments in associates"** (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". This amendment is not relevant to the Group.

■ **IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"**

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

■ **IAS 31 (Amendment) "Interests in joint ventures"** and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in joint venture is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in terms of IAS 39.

■ IAS 36 (Amendment) "Impairment of assets"

This amendment requires that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1 January 2009.

■ IAS 38 (Amendment) "Intangible assets"

This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

■ IAS 38 (Amendment) "Intangible assets"

This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets with the exception of rights to transfer building coefficient are amortised using the straight line method.

■ IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

■ IAS 40 (Amendment) "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment")

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The Group will apply the IAS 40 (Amendment) from 1 January 2009.

■ IAS 41 (Amendment) "Agriculture"

This amendment requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

■ IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "First-time adoption") (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment prospectively to all partial disposals of subsidiaries from 1 January 2010.

2.3 Consolidation

(a) 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 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 the above described procedure is completed and that 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

1. CLASSIFICATION

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.

(a) **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.

(b) **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.

(c) **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.

2. RECOGNITION AND MEASUREMENT

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 and loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets 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.

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.

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.

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.

Write-offs and provision for impairment are recognised in the income statement in the period they occur.

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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

The Group utilises derivative financial instruments to hedge the risks related to future price volatility. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments include interest rate swaps.

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

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

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

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. Provisions are not recognised for future operating losses.

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 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) **Dividend**

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), 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 2008, if the value of properties had been 5% higher / lower, while all other variables held constant, company result would have been higher / lower by € 37,800 thousand (2007: € 39,470 thousand) respectively. For the Group, it would have been higher / lower by € 57,152 thousand (2007: € 59,635 thousand) respectively. There would have also been a respective effect on the Group's and company's Net Asset Value.

(b) **Credit risk**

Credit risk management is carried out on group basis by the finance department. Credit risk arises from cash and cash equivalents, derivative financial instruments (bank and financial institutions credit risk) as well as credit exposure to customers (customer credit risk). The Group co-operates with some of the largest and financially credible banks and financial institutions in the Greek and international market with a minimum rating BBB (Fitch).

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.

At the year end overdue trade receivables which have not been impaired are indicated in Note 12.

(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.

As analysed in the note 2.1 Basis of preparation, at 31 December 2008, the Group and the company have negative working capital by € 153,857 thousand and € 182,953 thousand respectively. This mainly results from the increased company short - term bank loans amounting to € 216,136 thousand. This amount includes a loan amounting to € 125 million relating to the company project at Votanikos. The suspension of construction works for this project (see note 6) creates uncertainty as far as the future cash flows of the company since the suspension causes a delay to the restructuring of the repayment schedule and the facility amount of this loan which was to be defined through a new loan agreement for the refinancing of the existing loan and its increase for the completion of the construction. Company management has started negotiating with the intervening banks regarding the extension of the repayment schedule of the aforementioned bank loans as well as the restructuring of the respective loan contracts. More specifically, the banks, to which loans amounting to € 125,000 thousand or 58% of the total short term bank loans are referring to, give to the company the right to extend the repayment schedule up to 31/3/2010.

Company management, assessing all the factors, has proceeded to restructuring actions with the intention of better serving the company working capital needs will have a positive effect on the company efficiency.

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.

CONSOLIDATED

All amounts in Euro thousands

31 DECEMBER 2008			
	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Bank loans	199,150	65,259	-
Finance leases	29,354	190,632	641,109
Trade and other payables	27,450	-	-
Other non-current liabilities	-	-	3,938

31 DECEMBER 2007			
	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Bank loans	81,550	142,034	-
Finance leases	14,333	162,307	621,494
Trade and other payables	74,055	-	-
Other non-current liabilities	-	-	3,658

COMPANY

31 DECEMBER 2008			
	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Bank loans	193,950	43,551	-
Finance leases	20,478	135,723	381,418
Trade and other payables	102,409	-	-
Other non-current liabilities	-	-	2,767

31 DECEMBER 2007			
	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Bank loans	33,550	142,034	-
Finance leases	11,932	124,735	401,704
Trade and other payables	134,159	-	-
Other non-current liabilities	-	-	2,571

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.

CONSOLIDATED AND COMPANY

All amounts in Euro thousands

31 DECEMBER 2008			
INTEREST RATE SWAPS	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Inflows	63,209	218,065	435,597
Outflows	60,209	211,561	445,366

31 DECEMBER 2007			
INTEREST RATE SWAPS	-no later than 1 year	-later than 1 year and no later than 5 years	-later than 5 years
Inflows	38,697	157,338	271,693
Outflows	38,805	156,135	242,226

(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 partly manages its cash flow interest rate risk by using an interest rate swap agreement referring to the sale and leaseback agreements. According to this interest rate swap agreement, which is analysed below (Note 20), at 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%).

At 31 December 2008, 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 € 5,739 thousand (2007: € 1,651 thousand) mainly as a result of higher / lower interest expense on floating rate borrowings. Respectively, for the Group € 7,588 thousand (2007: € 2,402 thousand). There would have 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 2008 and 2007 are presented below:

<i>All amounts in Euro thousands</i>		CONSOLIDATED		COMPANY	
	Note	31 Dec. 2008	31 Dec. 2007	31 Dec. 2008	31 Dec. 2007
Total borrowings	16	760,849	632,350	575,626	469,728
Less: Cash and cash equivalents	13	(12,858)	(92,706)	(11,174)	(76,429)
Net debt		747,991	539,644	564,452	393,299
Total Equity		416,019	536,920	247,944	348,988
		1,164,011	1,076,564	812,396	742,287
Gearing Ratio		64.26%	50.13%	69.48%	52.98%

During 2008, there has been an increase in the gearing ratio of the group and the company reaching 64% and 69% respectively.

The increase in the gearing ratio during 2008 resulted primarily from the increase of borrowings mainly through the new bank loans concerning the financing of the under construction projects of the company (especially the shopping mall in Votanikos) as well as the new sale and leaseback contract of € 80 million referring to the building located at 340 Syggrou Avenue. Additionally, total Group equity decreased by € 121 million mainly due to the decrease of the fair value of the investment properties as well as the increased financial expenses stemming from the increased interest rates during 2008 and the negative variation of fair value of the interest rate swaps.

3.3 Fair value estimation

The fair value of financial instruments traded in an active market (stock exchange) (such as derivatives, 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.

If the actual final outcome differs by +17% / -17% from management estimates, the Company and Group tax liability would be increased by € 259 thousand / decreased by € 108 thousand respectively.

(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.

If the actual final outcome is worse for the company or the Group companies, i.e. if it differs from management estimates, the provision will have been increased by € 1,239 thousand for the Group and € 623 thousand for the company.

(e) **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The present value of the defined benefits is calculated based on the appropriate discount rate (the yield of greek bonds in the same currently that these benefits will be paid and with terms almost similar with the ones of the benefits commitment). Another fundamental assumption relates to salaries' increase. The assumptions used are further illustrated in Note 18.

If the discount rate was increased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been decreased by € 106 thousand for the Group and € 96 thousand for the company.

If the discount rate was decreased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been increased by € 114 thousand for the Group and € 104 thousand for the company.

If the average yearly long term inflation rate was increased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been increased by € 115 thousand for the Group and € 104 thousand for the company.

If the average yearly long term inflation rate was decreased by 50 basis points from the actuary's estimation then the present value of the unfunded obligations would have been decreased by € 107 thousand for the Group and € 97 thousand for the company.

If the future salary increases rate was increased by 50 basis points / decreased by 50 basis points from the actuary's estimation then the effect on present value of the unfunded obligations would have been the same with the respective variation of the average yearly long term inflation rate.

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 2008, the Group was organised into three main business segments according to its activities: development and sale of property, property leases and construction works.

SEGMENT RESULTS

All amounts in Euro thousands

FOR THE YEAR ENDED 31 DECEMBER 2008

	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Revenue	4,724	1,367	46,772	-	52,863
Operating profit / (loss)	(68,568)	256	(2,793)	(25,652)	(96,757)
Finance expense (net)					(75,091)
Profit / (loss) before income tax	(68,568)	256	(2,793)	(25,652)	(171,848)
Income tax expense					50,947
Profit / (loss) for the year	(68,568)	256	(2,793)	(25,652)	(120,901)

FOR THE YEAR ENDED 31 DECEMBER 2007

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)

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

SEGMENT ITEMS OF SIGNIFICANCE

All amounts in Euro thousands

YEAR ENDED 31 DECEMBER 2008					
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Lease rental (Note 7)	-	-	(19,877)	-	(19,877)
Net gain from fair value adjustment on investment property (Note 6)	(62,998)	-	(20,388)	-	(83,386)
Impairment of receivables (Note 12)	-	-	-	(9,847)	(9,847)
Provisions	-	-	-	(412)	(412)
Depreciation of property plant and equipment	(2)	-	(345)	(118)	(465)
Amortisation of intangible assets (Note 8)	-	-	-	(49)	(49)

YEAR ENDED 31 DECEMBER 2007

Lease rental (Note 7)	-	-	(17,289)	-	(17,289)
Net gain from fair value adjustment on investment property (Note 6)	36,187	-	(30,799)	-	5,388
Provisions	-	-	-	(2,311)	(2,311)
Depreciation of property plant and equipment	(50)	-	(346)	(106)	(503)
Amortisation of intangible assets (Note 8)	-	-	-	(48)	(48)

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

The segment assets and liabilities are as follows:

SEGMENT ASSETS AND LIABILITIES

All amounts in Euro thousands

31 DECEMBER 2008					
	Development & Sale of property	Construction Work	Property Leases	Unallocated	Group
Total Assets	273,494	1,977	1,011,837	88,603	1,375,911
Total Liabilities	286,934	0	496,743	176,213	959,891
Capital expenditure	41,250	-	22,427	855	64,532

31 DECEMBER 2007					
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

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, other receivables, advances and derivative financial instruments.

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).

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

All amounts in Euro thousands

31 DECEMBER 2008

	ASSETS	LIABILITIES
Segment Assets / Liabilities	1,287,308	783,678
Other investments	18	-
Other non-current receivables	2	-
Other receivables	918	-
Receivables from other related parties	32,966	-
Advances / collateral to financial institutions	19,343	-
Prepaid expenses / other advances	41	-
Cash and cash equivalents	12,858	-
Property plant and equipment	1,135	-
Intangible assets	18,942	-
Other creditors	-	691
Amounts due to other related parties	-	77
Trade payables	-	633
Income tax and other taxes	-	22,675
Social securities	-	695
Accrued expenses	-	14
Deferred tax	-	88,402
Employee benefits obligations	-	2,475
Provisions	-	1,057
Derivatives	2,380	59,495
Total	1,375,911	959,891

31 DECEMBER 2007

	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	-	10,018
Social securities	-	489
Accrued expenses	-	268
Deferred tax	-	147,558
Employee benefits obligations	-	2,246
Provisions	-	867
Derivatives	-	20,274
Total	1,423,644	886,723

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 (01.01.2007)		1,194,706	785,039
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		5,388	22,121
At end of year (31.12.2007)		1,231,727	827,569
Additions in investment property / additions in construction costs		63,677	60,860
Net gain from fair value adjustments on investment property		(83,386)	(64,334)
At end of year (31.12.2008)		1,212,018	824,096

The fair market value of Investment property was re-measured and adjusted at 31 December 2008 based on the Valuation Report by an independent professionally qualified valuer of Colliers International. For all properties, valuations were based on current prices in an active market and discounted cash flow projections. During the year ended 31 December 2008, no change has occurred to the Group's investment property portfolio concerning asset disposal.

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

<i>All amounts in Euro thousands</i>	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Rental income	31,588	28,667	20,914	19,213
Direct operating expenses arising from investment property that generate rental income	2,765	1,462	1,921	743
Direct operating expenses arising from investment property that did not generate rental income	1,797	795	1,450	633

ADDITIONS TO INVESTMENT PROPERTY

During the year ended at 31 December 2008, the Group was obliged to purchase back, based on court decision, the fourth floor as well as 23 parking spaces at the second and third basement of the building located at 1-3 Kifissias Avenue and 4 Theofanous street from 'Proton Bank'. 'Proton Bank' has acquired 'Omega Securities S.A.' and the above horizontal ownerships had been sold to the latter. 'Omega Securities S.A.' had appealed for the BVIC Group to be obliged to buy back the above mentioned horizontal ownerships based on a repurchase agreement which was signed in the initial sale contract signed by BVIC Group and 'Omega Securities S.A.'.

During April 2008, the parent company as well as the subsidiary 'Babis Vovos International Construction S.A. & Co GP.' signed a sale and lease back agreement with Ethniki Leasing for the aforementioned horizontal ownerships. The sale and lease back agreement of € 6.5 million signed (53.11% for the parent company and 46.89% for the above subsidiary) comes to its maturity on April 25th, 2028 with a duration for 20 years. The interest rate defined is Euribor 1month plus a spread of 2.00%. The fair value of the above horizontal ownerships, which are classified as Investment property, was measured by Colliers International as at 31 December 2008. A net gain from fair value adjustment of the above horizontal ownerships amounting to € 1,859 thousand was recorded in the income statement.

During the year ended at 31 December 2008, the construction of the building located at 340 Syggrou Ave. was completed. The above retail and office building includes above ground surface of over 14,000 sqm, storage spaces of 2,000 sqm as well as 393 parking spaces. The property on which the aforementioned building was constructed had been acquired during 2006 through the acquisition of a company.

On January 4th, 2008, the parent company as well as the subsidiary 'Elfinko S.A.' had signed a joint sale and lease back agreement with Emporiki Leasing and ATE Leasing for the above mentioned 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 393 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 fair value of the aforementioned building was measured by Colliers international as at 31.12.2008. A net gain from fair value adjustment amounting to € 76,310 thousand was recorded in the income statement leading to an increase of the NAV per share before deferred tax by € 2.25.

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, which will be starting during the coming months, 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

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 progressed significantly. Currently, the wall and exterior works have been completed and the development is currently at the level of completing internal works. The completion of the hotel complex including the improvement of the existing hotel unit into a class A' hotel is expected by the first half of 2009. The fair market value of the land plots and the hotel unit as well as the construction costs as per 31 December 2008 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 part of the underground parking area has been issued and the relative works are at the completion stage. Following the approval of the Environmental Impact Report dated August 29th, 2008, the building permit for the total development of the shopping mall including 80,000 sqm under the ground area as well as 70,000 sqm of above the ground area has been issued. At the beginning of December, while the project was at

the stage of reinforced concrete works were being carried out (already reached at the second floor), as well as various works for the completion of the basement area, the Council of State decided upon the temporary suspension of the construction work at Votanikos. This temporary suspension of works followed an appeal submitted by a small number of citizens. During January 2009, the three member Committee of Suspensions of the Council of State decided in favor of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

The development is planned for completion during 2010, during which, the shopping mall will be delivered as 'cold shell' to the tenants. Following the delivery, interior works of the retail shops will be carried out with the intention of being fully operative by the 2010 as well.

At 31 December 2008, the company recorded an impairment of the fair value of land plot in Votanikos with the intention of being conservative due to the given situation above described as well as given the unfavourable financial conditions of the market assessing also the possible delay of the project.

At 31 December, the fair value of the land plot in Votanikos amounted to € 98,718 thousand. A loss from fair value adjustment (impairment) of € 52,538 thousand was recorded in the income statement.

The construction cost of the project, at 31 December 2008, amounted to € 44,583 thousand and is included in the Investment properties. The company has not formed any provision for impairment of the construction cost with a respective charge in income statement since there are alternative ways of exploitation as far as the existing construction is concerned.

At 31 December 2008, the Group had no un-provided contractual obligations for future repairs and maintenance of investment property.

Investment property includes buildings valued at € 865,072 thousand (including the Build Operate Transfer of building complex Ethnikis Antistaseos), held under sale and leaseback agreements, of which the remaining obligations are € 453,244 thousand. (For 31.12.2007: 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 were € 366,637 thousand).

For securing liabilities, guarantees over the investment property amounting to € 278,063 thousand (2007: € 273,828 thousand) for the Group and € 204,642 thousand (2007: € 185,406 thousand) for the company have been provided.

7. PROPERTY, PLANT AND EQUIPMENT

All amounts in Euro thousands

CONSOLIDATED	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
COST					
Balance 1 January 2008	10,990	2,870	598	135	14,593
Purchases	-	763	35	-	798
Sales	-	(74)	-	-	(74)
Disposals	-	-	(54)	-	(54)
Balance 31 December 2008	10,990	3,558	580	135	15,263
ACCUMULATED DEPRECIATION					
Balance 1 January 2008	(1,381)	(2,191)	(401)	-	(3,973)
Depreciation charge	(280)	(226)	(86)	-	(592)
Depreciation write-off due to sale	-	74	54	-	128
Balance 31 December 2008	(1,661)	(2,343)	(433)	-	(4,437)
Closing net book amount 31 December 2008	9,329	1,215	147	135	10,826

CONSOLIDATED	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 (Note 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

COMPANY	Land & buildings	Machinery & vehicles	Fixtures & fittings	Property under construction	Total
COST					
Balance 1 January 2008	2,046	2,094	545	135	4,820
Purchases	-	763	35	-	798
Disposals	-	-	(53)	-	(53)
Balance 31 December 2008	2,046	2,857	527	135	5,565
ACCUMULATED DEPRECIATION					
Balance 1 January 2008	(996)	(1,758)	(359)	-	(3,112)
Depreciation charge	(184)	(161)	(81)	-	(426)
Depreciation write-off due to sale	-	-	53	-	53
Balance 31 December 2008	(1,179)	(1,919)	(387)	-	(3,485)
Closing net book amount 31 December 2008	867	939	140	135	2,080

COMPANY	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 (Note 6)	-	-	-	(13,555)	(13,555)
Balance 31 December 2007	2,046	2,094	545	135	4,820
ACCUMULATED DEPRECIATION					
Balance 1 January 2007	(796)	(1,610)	(300)	-	(2,706)
Depreciation charge	(200)	(156)	(72)	-	(428)
Depreciation write-off due to sale	-	8	14	-	22
Balance 31 December 2007	(996)	(1,758)	(359)	-	(3,112)
Closing net book amount 31 December 2007	1,050	336	186	135	1,708

There were no impairment charges in 2008 and 2007.

Depreciation expense of € 465 thousand (2007: € 503 thousand) for the Group and € 299 thousand (2007: € 351 thousand) for the Company has been charged in the income statement as follows (note 23): € 251 thousand (2007: € 300 thousand) for the Group, € 186 thousand (2007: € 250 thousand) for the Company in cost of sales and € 214 thousand (2007: € 202 thousand) for the Group, € 113 thousand (2007: € 101 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 2008	31 December 2007	31 December 2008	31 December 2007
Cost	336	336	-	-
Accumulated depreciation	(109)	(59)	-	-
Closing net book amount	227	277	-	-

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:

	CONSOLIDATED			COMPANY
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Land cost	3,919	3,919	-	-
Building cost	5,013	5,013	-	-
Accumulated depreciation	(481)	(385)	-	-
Closing net book amount	8,451	8,547	-	-

Lease rentals amounting to € 19,877 thousand (2007: € 17,289 thousand) and € 15,918 thousand (2007: € 13,063 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 (2007: -) for the Group and the company have been provided.

8. INTANGIBLE ASSETS

CONSOLIDATED	SOFTWARE LICENCES	PURCHASED RIGHTS TO TRANSFER BUILDING COEFFICIENTS	TOTAL
<i>All amounts in Euro thousands</i>			
COST			
Balance 1 January 2008	283	18,871	19,154
Purchases	56	-	56
Balance 31 December 2008	339	18,871	19,211
ACCUMULATED DEPRECIATION			
Balance 1 January 2008	(220)	-	(220)
Depreciation charge	(49)	-	(49)
Balance 31 December 2008	(269)	-	(269)
Closing net book amount 31 December 2008	70	18,871	18,942

CONSOLIDATED	SOFTWARE LICENCES	PURCHASED RIGHTS TO TRANSFER BUILDING COEFFICIENTS	TOTAL
COST			
Balance 1 January 2007	274	18,871	19,146
Purchases	8	-	8
Balance 31 December 2007	283	18,871	19,154
ACCUMULATED DEPRECIATION			
Balance 1 January 2007	(172)	-	(172)
Depreciation charge	(48)	-	(48)
Balance 31 December 2007	(220)	-	(220)
Closing net book amount 31 December 2007	63	18,871	18,934

COMPANY	SOFTWARE LICENCES	PURCHASED RIGHTS TO TRANSFER BUILDING COEFFICIENTS	TOTAL
COST			
Balance 1 January 2008	283	16,443	16,726
Purchases	56	-	56
Balance 31 December 2008	339	16,443	16,782
ACCUMULATED DEPRECIATION			
Balance 1 January 2008	(220)	-	(220)
Depreciation charge	(49)	-	(49)
Balance 31 December 2008	(269)	-	(269)
Closing net book amount 31 December 2008	70	16,443	16,514

COMPANY	SOFTWARE LICENCES	PURCHASED RIGHTS TO TRANSFER BUILDING COEFFICIENTS	TOTAL
COST			
Balance 1 January 2007	274	16,443	16,718
Purchases	8	-	8
Balance 31 December 2007	283	16,443	16,726
ACCUMULATED DEPRECIATION			
Balance 1 January 2007	(172)	-	(172)
Depreciation charge	(48)	-	(48)
Balance 31 December 2007	(220)	-	(220)
Closing net book amount 31 December 2007	63	16,443	16,506

Amortization of € 49 thousand (2007: € 48 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 2008 and 2007.

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 2008 amounts to € 38,240 thousand. The difference between the fair value and their cost amounting to € 19,369 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 (2007: 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 2008	31 December 2007	31 December 2008	31 December 2007
Participation to subsidiaries	-	-	55,125	55,125
Other participations	18	18	1	1
Provision for participations impairment	-	-	(7,563)	(7,255)
	18	18	47,563	47,871

In the company income statement, a gain amounting to € 1,937 thousand and a loss amounting to € 6,960 thousand for the years 2008 and 2007 respectively were included. Both amounts concern the result of the subsidiary 'Babis Vovos International Construction S.A & Co. GP'.

During 2008, an increase of the provision for impairment was calculated for participation of the parent company to the subsidiary 'Doma S.A.' amounting to € 308 thousand (2007: decrease of provision € 393 thousand). The total provision for impairment for the participation to the aforementioned subsidiary amounts to € 7,563 thousand (2007: € 7,255 thousand)

CONSOLIDATED SUBSIDIARY COMPANIES

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:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Babis Vovos International Construction S.A and Co. GP - E.Sylias & Co GP.	11	11	-	-
Babis Vovos International Construction S.A & Co. GP. - Agora C.& Co. GP.	3	3	-	-
Innovative Buildings S.A	-	-	-	-
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 A.E.	-	-	-	-
Alteco A.E.	-	-	10,572	10,572
Elfinko S.A.	-	-	22,825	22,825
Other	1	1	1	1
	18	18	55,126	55,126

PROVISION FOR PARTICIPATIONS IMPAIRMENT

Doma S.A.	-	-	(7,563)	(7,255)
	18	18	47,563	47,871

There were no disposals of investments during 2008 and 2007.

During 2008 and 2007, there was no new investment to subsidiaries.

10. FINANCIAL INSTRUMENTS BY CATEGORY

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

CONSOLIDATED

All amounts in Euro thousands

31 DECEMBER 2008

ASSETS AS PER BALANCE SHEET	Loans and Receivables	Assets at fair value through the profit and loss	Total
Net trade receivables	3,739	-	3,739
Receivables from other related parties	12,563	-	12,563
Derivative assets	-	2,380	2,380
Other debtors	13,243	-	13,243
Cash and cash equivalents	12,858	-	12,858
Total	42,404	2,380	44,784

31 DECEMBER 2007

ASSETS AS PER BALANCE SHEET	Loans and Receivables	Total
Net trade receivables	3,746	3,746
Receivables from other related parties	12,309	12,309
Other debtors	14,444	14,444
Cash and cash equivalents	92,706	92,706
Total	123,205	123,205

COMPANY

All amounts in Euro thousands

31 DECEMBER 2008

ASSETS AS PER BALANCE SHEET	Loans and Receivables	Assets at fair value through the profit and loss	Total
Net trade receivables	2,172	-	2,172
Receivables from subsidiaries	32,961	-	32,961
Receivables from other related parties	6,538	-	6,538
Derivative assets	-	2,380	2,380
Other debtors	11,239	-	11,239
Cash and cash equivalents	11,174	-	11,174
Total	64,085	2,380	66,465

31 DECEMBER 2007

ASSETS AS PER BALANCE SHEET	Loans and Receivables	Total
Net trade receivables	2,194	2,194
Receivables from subsidiaries	42,972	42,972
Receivables from other related parties	6,305	6,305
Other debtors	11,291	11,291
Cash and cash equivalents	76,429	76,429
Total	139,191	139,191

CONSOLIDATED

All amounts in Euro thousands

31 DECEMBER 2008

LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	760,849	760,849
Derivative financial instruments	59,495	-	59,495
Total	59,495	760,849	820,344

31 DECEMBER 2007

LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	632,350	632,350
Derivative financial instruments	20,274	-	20,274
Total	20,274	632,350	652,624

COMPANY

All amounts in Euro thousands

31 DECEMBER 2008

LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	575,626	575,626
Derivative financial instruments	59,495	-	59,495
Total	59,495	575,626	635,122

31 DECEMBER 2007

LIABILITIES AS PER BALANCE SHEET	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Borrowings	-	469,728	469,728
Derivative financial instruments	20,274	-	20,274
Total	20,274	469,728	490,003

Credit quality of financial assets

The credit quality of financial assets according to external credit rating (FITCH) is as follows:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
CASH AND CASH EQUIVALENTS	2008	2007	2008	2007
A+	2	12	2	12
A-	2,228	14,181	1,981	13,976
BBB+	3,538	5,419	3,451	5,352
BBB	6,995	72,984	5,706	57,049
	12,764	92,595	11,140	76,389

The difference between the above analysis and the financial statements is due to the fact that the above table does not include cash on hand amounting to € 43 thousand (2007: € 58 thousand) for the Group and € 24 thousand (2007: € 32 thousand) for the company as well as deposit balances amounting to € 51 thousand (2007: € 53 thousand) for the Group and € 10 thousand (2007: € 8 thousand) for the company.

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
DERIVATIVE ASSETS	2008	2007	2008	2007
A-	2,380		2,380	
	2,380	-	2,380	-

11. INVENTORIES

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Property Inventory (land plots - buildings)	2,790	3,108	647	647
Construction in progress	19,095	20,391	24,035	26,137
Raw Material inventory	1,444	1,381	1,080	1,312
Construction of buildings & civil engineer technical works in progress	305	330	305	330
Downpayments for stocks	12,511	7,696	12,511	7,681
Provision for impairment of construction in progress	(3,586)	(1,022)	(4,986)	(1,022)
Provision for impairment of other inventory	(15)	(15)	-	-
At end of year	32,545	31,868	33,592	35,085

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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
9-13 Patmou & Agrafon street	703	2,476	703	2,476
N. Erythrea - Mortero - Gymnastiriou Str. BB270	7,616	9,668	9,034	11,893
N. Erythrea - Mortero - Gymnastiriou Str. BB271	10,776	8,246	14,298	11,768
Construction in progress	19,095	20,391	24,035	26,137

The cost of inventories recognized as expense and included in cost of sales amounted to € 11,396 thousand (2007: € 34,862 thousand) and € 13,411 thousand (2007: € 34,791 thousand) for the Group and the Company respectively.

For securing liabilities, guarantees over the inventories amounting to € 21,550 thousand (2007: € 23,578 thousand) for the Group and the company have been provided.

12. TRADE AND OTHER RECEIVABLES

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Trade receivables	5,214	5,221	2,597	2,619
Less: provision for impairment of trade receivables	(1,475)	(1,475)	(424)	(424)
Net trade receivables	3,739	3,746	2,172	2,194
Prepaid expenses	9,791	6,712	6,603	5,104
Receivables from subsidiaries (Note 33)	-	-	32,961	42,972
Receivables from other related parties (Note 33)	39,493	12,309	33,468	6,305
Advances	20,057	558	19,864	370
Other debtors	27,497	18,852	21,652	14,473
Less: provision for impairment of other receivables	(14,254)	(4,407)	(10,413)	(3,182)
	82,585	34,024	104,135	66,042
	86,324	37,770	106,307	68,236
Less non-current assets: advances	(578)	(558)	(386)	(370)
Current assets	85,746	37,212	105,921	67,866

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 2008, trade receivables amounting to € 2,193 thousand (31 December 2007: € 1,009 thousand) for the Group and € 1,300 thousand (31 December 2007: € 106 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:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
No later than 3 months	215	102	164	79
3 to 6 months	42	12	32	9
6 to 12 months	1,120	32	1,104	18
Over 1 year	816	863		
	2,193	1,009	1,300	106

During the year, an impairment loss for trade accounts receivable was recognised amounting to € 9,847 thousand for the Group and € 7,230 thousand for the Company (2007: - for the Group and the company) respectively in administration expenses in the income statement.

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

All amounts in Euro thousands

	CONSOLIDATED	COMPANY
At beginning of year (01.01.2007)	5,882	3,607
Impairment loss for trade and other receivables	-	-
At beginning of year (31.12.2007)	5,882	3,607
Impairment loss for trade and other receivables	9,847	7,230
At beginning of year (31.12.2008)	15,729	10,837

The amounts included in the provision for impairment are generally written-off, when there is no expectation that they will be recovered.

The Group and the Company have no trade and other receivables in foreign currency at 31 December 2008 and 31 December 2007.

Advances include an amount of € 5,000 thousand paid to Credit Suisse according to the provisions of the signed interest rate swap agreement. This amount will be returned to the company on April 2009 according to the provisions of the aforementioned swap agreement bearing interest calculated with a set interest rate of 4.34%. Additionally, advances include an amount of € 14,250 paid to Credit Suisse as cash collateral based on the signed interest rate swap due to the increase in fair value of the transaction amounting to over € 25,000 thousand. This amount is paid as cash collateral and is expected to be gradually returned, bearing interest, with the normalisation of interest variations and the respective positive variation of the fair value of the interest rate swap agreement. At 31.12.2008, the accrued interest on the cash collateral amounted to € 93 thousand. The average interest rate for the calculation was 2.98%.

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 2008, the lease guarantees are amounting to € 3,938 thousand (31 December 2007: € 3,658 thousand) for the Group and € 2,767 thousand (31 December 2007: € 2,571 thousand) for the company (Note 19).

At 31 December 2008, 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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash on hand	43	58	24	32
Site deposits	12,196	66,137	10,589	64,897
Committed deposit accounts	618	26,511	562	11,500
Cash and cash equivalents	12,858	92,706	11,174	76,429

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 € 562 thousand (2007: € 11,500 thousand) for 2008 was 3.649% on average (2007: 4.426%) while for the rest of the committed deposit accounts of the Group subsidiaries amounting to € 56 thousand (2007: € 15,011 thousand) was 3.649% (2007: 4.786%).

14. SHARE CAPITAL

CONSOLIDATED

	Number of shares (thousands)	Nominal value (€)	Ordinary shares (€ thousands)	Share premium (€ thousands)	Total (€ thousands)
BALANCE AT 31 DECEMBER 2008 / 2007	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 2008 / 2007	33,930	0.30	10,179	36,653	46,832

The total authorised number of ordinary shares is 33,930 thousand shares (2007: 33,930 thousand shares) with a par value of € 0.30 per share (2007: € 0.30 per share). All issued shares are fully paid.

15. RESERVES

CONSOLIDATED

All amounts in Euro thousands

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2007	463	7,622	14,968	23,053
Balance at 31 December 2007	463	7,622	14,968	23,053
Transfer from retained earnings	785	-	-	785
Balance at 31 December 2008	1,248	7,622	14,968	23,838

COMPANY

	Statutory reserve	Extraordinary reserve	Special - untaxed reserves	Total
Balance at 1 January 2007	74	5,353	19,817	25,244
Balance at 31 December 2007	74	5,353	19,817	25,244
Balance at 31 December 2008	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) Special-untaxed reserves

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:

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
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	-	-
	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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
NON - CURRENT				
Bank Borrowings	61,836	134,925	42,836	134,925
Finance lease liabilities	468,479	400,172	316,655	288,431
	530,315	535,096	359,490	423,356
CURRENT				
Bank Borrowings	201,180	82,921	195,658	34,441
Finance lease liabilities	29,354	14,333	20,478	11,932
	230,534	97,254	216,136	46,373
TOTAL BORROWINGS	760,849	632,350	575,626	469,728

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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
6 months or less	263,016	217,846	238,494	169,365
	263,016	217,846	238,494	169,365

THE MATURITY OF NON-CURRENT BORROWINGS (EXCLUDING FINANCE LEASE LIABILITIES)

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Between 1 and 2 years	36,136	120,339	31,336	120,339
Between 2 and 5 years	25,700	14,586	11,500	14,586
	61,836	134,925	42,836	134,925

The non- current borrowings maturity (excluding finance leases) is up to 2013.

All the Group's borrowings are at floating rates of interest. The average weighted interest rate at 31 December 2008 was 7.61% (2007: 7.07%) for bank borrowings. Due to the interest rate swap signed with Credit Suisse for approximately 1/3 of the above finance lease liabilities (see Derivatives), the Group pays Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). 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 2008 was 6.15% (2007: 6.97%).

The fair value of both the long-term and short-term borrowings at 31 December 2008 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 2008	31 December 2007	31 December 2008	31 December 2007
FLOATING RATE:				
Expiring beyond one year	2,500	8,500	2,500	8,500
	2,500	8,500	2,500	8,500

THE MATURITY OF FINANCE LEASE LIABILITIES (UP TO 2054)

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
FINANCE LEASE LIABILITIES – MINIMUM LEASE PAYMENTS:				
-no later than 1 year	54,282	40,102	38,240	31,460
-later than 1 year and no later than 5 years	190,632	162,307	135,723	124,735
-later than 5 years	633,109	613,494	373,418	393,704
	878,023	815,903	547,381	549,899
Future finance charges on finance leases	(388,189)	(409,399)	(218,248)	(257,536)
Present value of finance lease liabilities	489,833	406,504	329,132	292,363

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
THE PRESENT VALUE OF FINANCE LEASE LIABILITIES IS AS FOLLOWS⁽¹⁾:				
no later than 1 year	29,354	14,333	20,478	11,932
later than 1 year and no later than 5 years	105,261	71,238	75,311	56,129
later than 5 years	355,218	320,934	233,344	224,302
	489,833	406,504	329,132	292,363

(1) In the above consolidated and company data, preliminary sale & leaseback agreement of € 8,000 thousand for the building complex B located at Kifissias Ave & Sina str. is not included. The repayment will begin after the finalisation of the preliminary sale & leaseback agreement. The same applies to comparative data as well.

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:

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
DEFERRED TAX LIABILITIES:				
– deferred tax liability to be recovered after more than 12 months	88,402	147,558	47,761	91,680
	88,402	147,558	47,761	91,680

TOTAL MOVEMENT IN DEFERRED INCOME TAX

	CONSOLIDATED	COMPANY
<i>All amounts in Euro thousands</i>		
Balance at 1 January 2007	153,951	95,358
Debit / (credit) in the income statement	(6,393)	(3,679)
Balance at 31 December 2007	147,558	91,680
Debit / (credit) in the income statement	(59,156)	(43,919)
Balance at 31 December 2008	88,402	47,761

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:

	CONSOLIDATED		
<i>All amounts in Euro thousands</i>			
DEFERRED TAX LIABILITIES	Investment property to fair value	Derivatives	Total
Balance 01.01.2007	203,141	-	203,141
Debit / (credit) in the income statement	2,077	-	2,077
Balance 31.12.2007	205,218	-	205,218
Debit / (credit) in the income statement	(48,913)	559	(48,354)
Balance 31.12.2008	156,305	559	156,864

	CONSOLIDATED					
<i>All amounts in Euro thousands</i>						
DEFERRED TAX ASSETS	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2007	(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)
Debit / (credit) in the income statement	(3,644)	343	64	(6,809)	(758)	(10,802)
Balance 31.12.2008	(56,683)	(6)	(494)	(8,222)	(3,058)	(68,462)

All amounts in Euro thousands

COMPANY

DEFERRED TAX LIABILITIES	Investment property to fair value	Derivatives	Total
Balance 01.01.2007	138,015	-	138,015
Debit / (credit) in the income statement	5,531	-	5,531
Balance 31.12.2007	143,546	-	143,546
Debit / (credit) in the income statement	(41,114)	559	(40,555)
Balance 31.12.2008	102,432	559	102,991

All amounts in Euro thousands

COMPANY

DEFERRED TAX ASSETS	Finance leases	Intangible assets	Provision for employees retirement benefit based on actuarial study	Derivatives	Other	Total
Balance 01.01.2007	(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)
Debit / (credit) in the income statement	4,684	(17)	59	(6,809)	(1,281)	(3,364)
Balance 31.12.2008	(44,490)	(6)	(469)	(8,222)	(2,043)	(55,230)

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 € 5,025 thousand (2007: € 5,280 thousand) and € 3,664 thousand (2007: -) in respect of losses amounting to € 24,249 thousand (2007: € 21,122 thousand) and € 17,447 thousand (2007: -) respectively, that can be carried forward against future taxable income up to 2013.

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

18. RETIREMENT BENEFIT OBLIGATIONS

The amounts recognised in the balance sheet are as follows:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Present value of unfunded obligations	2,354	2,209	2,211	2,132
Unrecognised actuarial losses	120	37	135	(20)
	2,475	2,246	2,346	2,113
Liability in the balance sheet	2,475	2,246	2,346	2,113

The amounts recognised in the income statement are as follows:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Current service cost	232	174	223	136
Interest cost	106	82	102	68
Net actuarial losses recognised during the year	157	221	162	-
Losses on curtailment	-	(3)	-	(2)
Transfer of personnel	(7)	-	12	319
Total, included in employee benefit expense	488	475	499	521

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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Beginning of the year	2,246	1,797	2,113	1,617
Total expense charged in the income statement (Note 24)	495	475	499	521
Contributions paid (Note 24)	(266)	(26)	(266)	(26)
End of the year	2,475	2,246	2,346	2,113

Out of the total expense charged in the income statement, € 229 thousand (2007: € 449 thousand) and € 233 thousand (2007: € 495 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 2008	31 December 2007	31 December 2008	31 December 2007
Discount rate	5.80%	4.80%	5.80%	4.80%
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).

The sensitivity of the present value of unfunded obligations to variations in the principal actuarial assumptions is as follows:

	CONSOLIDATED		COMPANY
	Change in principal actuarial assumptions	Impact on present value of unfunded obligations	Impact on present value of unfunded obligations
Discount rate	Increase 50 basis points	Decrease 4.5%	Decrease 4.4%
Average yearly long term inflation rate	Increase 50 basis points	Increase 4.9%	Increase 4.7%

	CONSOLIDATED		COMPANY
	Change in principal actuarial assumptions	Impact on present value of unfunded obligations	Impact on present value of unfunded obligations
Discount rate	Decrease 50 basis points	Increase 4.9%	Increase 4.7%
Average yearly long term inflation rate	Decrease 50 basis points	Decrease 4.6%	Decrease 4.7%

As far as future salary assumption is concerned, a variation by +50 basis points / -50 basis points from the actuary's estimation, will result in the same effect on present value of the unfunded obligations as the respective variation of the average yearly long term inflation rate..

19. TRADE AND OTHER PAYABLES

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Trade Payables	14,691	10,141	13,772	7,976
Amounts due to subsidiaries (Note 33)	-	-	48,955	39,144
Amounts due to other related parties (Note 33)	86	12,582	86	2,870
Social security and other taxes	8,748	1,602	2,268	1,532
Customer advances	1,016	39,590	777	39,347
Accrued expenses	2,635	9,049	36,288	42,208
Unearned and deferred income	83	908	83	908
Lease Guarantees	3,938	3,658	2,767	2,571
Other creditors	191	184	181	175
Trade and other Payables	31,388	77,713	105,176	136,731
Less long-term liabilities: lease guarantees	(3,938)	(3,658)	(2,767)	(2,571)
Short-term liabilities	27,450	74,055	102,409	134,159

Group and company trade and other payables are interest free.

20. DERIVATIVES

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
INTEREST RATE SWAPS HELD FOR TRADING				
Non-current assets	1,791	-	1,791	-
Current assets	589	-	589	-
Non-current liabilities	49,167	17,145	49,167	17,145
Current liabilities	10,328	3,129	10,328	3,129

At 31 December 2008, the Group, aiming at low financial cost in the long term, has signed the following interest rate swap agreements.

- Interest rate swap agreement with Lehman Brothers International Europe. According to its provisions, the Company received a prepayment of € 7,000 thousand which actually is 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. At 30 June 2008, the fair value of this interest rate swap was € 10,134 thousand (31 December 2007: -). Due to the liquidation process of the above bank, there is no formal update of the aforementioned agreement's fair value as of 31 December 2008 by Lehman Brothers International Europe. The company requested a different bank to calculate the fair value of the aforementioned interest rate swap agreement as at 31 December 2008. According to this valuation, the fair value of the swap agreement amounted to € 6,167 thousand as at year end. A finance revenue of € 833 thousand was recognised in the income statement. Management expects this agreement to have been cleared during the coming months.

- Interest rate swap agreement with Credit Suisse. The agreement refers to interest rate swap for BVIC Group sale and lease back agreements with leasing companies. At 31.12.2008, the Group receives Euribor 1month plus an average spread of 2.26% for approximately 1/3 of the sale and leaseback agreements and pays back Euribor 1month plus an average weighted spread (31.12.2008: 1.75%). 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%. Starting from July 30th, 2009 up to December 30th, 2019 in case that one of the above two conditions does not stand, there will be a negative effect on the Group's cash inflows. The above described negative effect will refer to the calendar days that the conditions do

not stand for the period mentioned above. At 31 December 2008, the fair value of this interest rate swap was € 34,045 thousand (31 December 2007: € 4,661 thousand). A finance expense of € 29,384 thousand was recognised in the income statement. The variation of the fair value stems from the variability of the interest curves and the uncertainty conditions prevailing during the last months which affect the expectations in the short term.

- Interest rate swap agreements with Deutsche Bank. 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, 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 was 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 was also closed.

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

As far as the interest rate swap agreements for notional principal amounting to € 38,000 thousand and € 20,000 thousand are 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.

As far as the interest rate swap agreement for notional principal amounting to € 100,000 thousand is concerned, there was a new agreement signed to overlay the initial one (exactly reversed provisions for the counterparties – BVIC and Deutsche Bank) so that the net effect for the Group to be zero. This overlay agreement is indicated under Derivatives assets in the Balance sheet. At the same time there was a third swap agreement signed which practically replaces the initial one

but acts as its revision modifying the provisions on effect. More specifically, the Company has already paid the first instalment calculated as interest on the notional principal with an interest rate of 1.95% based on the provisions of the initial swap agreement. Starting from March 2008, the initial notional principal amounting to € 100,000 thousand was divided 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. For the remaining 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 (DBHVEUI Index) from time 0 which is the signature date

All the above indices' levels are 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. 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.

At 31 December 2008, the net fair value of all the interest rate swap agreements with Deutsche Bank amounted to € 16,903 thousand (31 December 2007: € 15,613 thousand). A finance expense of € 12,810 thousand as well as a finance revenue of € 8,976 thousand were recognised in the income statement.

The notional principal for all the above interest rate swap agreements in effect as at 31 December 2008 was € 768,371 thousand (2007: € 470,719 thousand) as far as the current and non current liabilities are concerned and € 100,000 thousand (2007: -) as far as current and non current assets are concerned.

21. PROVISIONS FOR OTHER LIABILITIES AND EXPENSES

<i>All amounts in Euro thousands</i>	CONSOLIDATED	COMPANY
At beginning of year (01.01.2007)	937	437
Reversal of provision for litigation and claims	(20)	(20)
Use of provision for litigation and claims	(50)	-
At end of year (31.12.2007)	867	417
New provision for litigation and claims	190	100
At end of year (31.12.2008)	1,057	517

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 2008, a new provision for litigation and claims against the group companies was formed. The provision amounted to € 190 thousand (2007: -) for the Group and € 100 thousand for the company (2007: -) and was included at administrative expenses..

22. REVENUE

<i>All amounts in Euro thousands</i>	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Rental income	46,772	44,060	31,967	30,587
Sale of property	4,724	55,874	4,724	55,874
Contruction work	1,367	1,310	1,367	1,037
Other	-	50	6	65
	52,863	101,293	38,064	87,563

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.

FUTURE AGGREGATE MINIMUM RENTALS RECEIVABLE UNDER NON-CANCELLABLE OPERATING LEASES

<i>All amounts in Euro thousands</i>	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
No later than 1 year	47,844	44,879	33,508	31,062
Later than 1 year and no later than 5 years	207,661	179,737	147,162	126,153
Later than 5 years	542,900	594,969	360,968	297,994
	798,406	819,584	541,638	455,209

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 2008 include mainly accrued income resulting from the sale contract concerning the building B of the building complex at 108 - 110 Athens Avenue as well as sales of residential units. 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 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:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Patmou & Agrafon Str.	1,255	1,625	1,255	1,625
108 - 110 Athens Ave.	769	53,507	769	53,507
N. Erythrea - Mortero - Gymnastiriou Str. BB270	2,701	741	2,701	741
	4,724	55,874	4,724	55,874

23. EXPENSES BY NATURE

CONSOLIDATED

All amounts in Euro thousands

1/1/2008 - 31/12/2008

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	3,342	58	4,328	7,729
Changes in inventories of finished goods and work in progress (Note 11)	11,396	-	-	11,396
Lease expenses	21,205	-	12	21,217
Depreciation of property, plant and equipment (Note 7)	251	-	214	465
Repairs and maintenance	51	-	127	179
Amortisation of intangible assets (Note 8)	-	-	49	49
Marketing	121	252	143	516
Legal and consulting	163	13	866	1,042
Contractors	1,393	-	-	1,393
Travel expenses	4	-	383	386
Provisions	-	-	9,847	9,847
Expenses and provision for litigation and claims	15	-	223	238
Other taxes and duties	-	-	7,865	7,865
Other	2,330	0	1,308	3,638
Total	40,271	324	25,363	65,958

1/1/2007 - 31/12/2007

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	5,743	55	3,638	9,436
Changes in inventories of finished goods and work in progress (Note 11)	34,862	-	-	34,862
Lease expenses	20,185	-	15	20,200
Depreciation of property, plant and equipment (Note 7)	300	-	202	503
Repairs and maintenance	86	-	92	178
Amortisation of intangible assets (Note 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

All amounts in Euro thousands

1/1/2008 - 31/12/2008

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	3,187	58	4,106	7,352
Changes in inventories of finished goods and work in progress (Note 11)	13,411	-	-	13,411
Lease expenses	16,602	-	48	16,650
Depreciation of property, plant and equipment (Note 7)	186	-	113	299
Repairs and maintenance	51	-	121	172
Amortisation of intangible assets (Note 8)	-	-	49	49
Marketing	-	252	126	378
Legal and consulting	5	7	744	756
Contractors	1,348	-	-	1,348
Travel expenses	4	-	382	386
Provisions	-	-	7,230	7,230
Expenses and provision for litigation and claims	-	-	100	100
Other taxes and duties	-	-	883	883
Other	2,256	0	1,237	3,493
Total	37,050	317	15,139	52,506

1/1/2007 - 31/12/2007

	Cost of sales	Selling and marketing costs	Administrative expenses	Total
Employee benefit expense (Note 26)	5,708	55	3,493	9,257
Changes in inventories of finished goods and work in progress (Note 11)	34,791	-	-	34,791
Lease expenses	15,241	-	49	15,290
Depreciation of property, plant and equipment (Note 7)	250	-	101	351
Repairs and maintenance	85	-	90	175
Amortisation of intangible assets (Note 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

24. OTHER GAINS / (EXPENSES)

All amounts in Euro thousands

OTHER EXPENSES	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Retirement provision (Note 24)	(229)	(449)	(233)	(495)
Cancellation of preliminary contracts	-	(146)	-	(146)
Tax fines and surcharges	(74)	(445)	(37)	(273)
Robbery	-	(40)	-	(40)
Other	(6)	(2)	(5)	(1)
	(309)	(1,082)	(275)	(955)

OTHER GAINS	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Cancellation of preliminary contracts	(0)	1,302	-	-
Lease compensations	-	154	-	154
Gain from sale of PPE (Note 30)	15	-	-	-
Other compensations	6	3	6	3
Lease Guarantees	0	10	0	0
Social Securities	6	-	5	-
Other	5	1	3	-
	32	1,469	14	157

25. FINANCE EXPENSE (NET)

All amounts in Euro thousands

FINANCE EXPENSES	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Bank Loan interest and other expenses	16,034	12,465	14,175	9,392
Interest expenses for preliminary SLB agreements and SLB contracts	31,491	30,231	23,028	20,254
Expenses for letters of guarantee	113	490	66	425
Finance Expenses due to IAS 32/39	120	264	111	264
Loss from derivatives	43,751	926	43,751	926
Other	631	1,679	180	1,465
	92,141	46,056	81,311	32,726

FINANCE REVENUES	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Interest received	1,196	2,165	633	1,495
Finance revenue from finance lease	5,327	4,131	3,737	4,131
Finance revenue due to IAS 32/39	3	12	-	-
Gains from derivatives	10,523	5,154	10,523	5,154
	17,050	11,461	14,893	10,779
FINANCE EXPENSE_REVENUE (NET)	(75,091)	(34,595)	(66,418)	(21,946)

26. EMPLOYEE BENEFIT EXPENSE

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Wages and salaries	14,842	12,516	14,540	11,398
Social security costs	5,072	4,309	4,998	3,938
Pension costs - defined benefit plans (Note 18)	495	475	499	521
Other	199	197	192	159
	20,608	17,497	20,230	16,016

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:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Cost of goods sold / Administrative expenses / Selling and marketing	7,729	9,436	7,352	9,257
Other Expenses (Note 24)	229	449	233	495
Construction in progress (included either in inventory or investment property under construction)	12,650	7,611	12,644	6,264
	20,608	17,497	20,230	16,016

NUMBER OF EMPLOYEES FOR THE GROUP AND THE COMPANY

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Number of employees	518	521	512	505

27. INCOME TAX EXPENSE

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Income Tax Income Tax	8,209	2,506	1,137	2,055
Deferred income tax	(59,156)	(6,393)	(43,919)	(3,679)
	(50,947)	(3,887)	(42,781)	(1,623)

During September 2008, tax legislation changes were announced and enacted referring to the corporate income tax rates. Corporate income tax rates will gradually decrease and are summarised as follows:

2009	: 25%
2010	: 24%
2011	: 23%
2012	: 22%
2013	: 21%
2014 and thereafter	: 20%

Deferred tax shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Tax rates used for the measurement are defined by tax laws and the respective tax rates announced and enacted by the balance sheet date.

THE DEFERRED TAX EXPENSE / (INCOME)

All amounts in Euro thousands

	CONSOLIDATED	COMPANY
Deferred tax expense / (income) resulting from changes in tax rates	(23,576)	(20,361)
Deferred tax expense / (income) due to origination and reversal of temporary differences	(35,580)	(23,558)
Deferred tax expense / (income) for the year	(59,156)	(43,919)

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:

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Profit before tax	(171,848)	(11,645)	(143,825)	3,680
Tax calculated at domestic tax rates applicable to profits in the respective countries (2008: 25% - 2007: 25%)	(42,962)	(2,911)	(35,956)	920
Differences in tax rates on temporary differences	8,227	602	5,422	-
Income not subject to tax	(8,370)	(1,954)	-	(1,951)
Effect on opening deferred tax due to decreased tax rate in Greece	5,215	797	2,615	2,117
Expenses not deductible for tax purposes	(23,576)	-	(20,361)	-
Utilization of previously unrecognised tax losses	(760)	(4,309)	-	(4,306)
Differences in tax rates for subsidiaries	(121)	-	-	-
Property taxes	444	518	-	459
Prior year tax differences	6,590	1,348	1,137	1,138
Tax losses for which no deferred income tax asset was recognised	4,366	2,023	4,362	-
Tax charge	(50,947)	(3,887)	(42,781)	(1,623)

28. EARNINGS PER SHARE

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Net profit attributable to shareholders	(120,775)	(7,472)	(101,044)	5,303
Weighted average number of ordinary shares in issue (thousands)	33,930	33,930	33,930	33,930
Basic earnings per share (€ per share)	(3.56)	(0.22)	(2.98)	0.16

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. DIVIDEND PER SHARE

No dividend is to be proposed by the Board of Directors to the Annual General Meeting for the year ended 31 December 2008 exactly as for the fiscal year 2007.

The dividends paid in 2008 and 2007 were € 3 thousand (or 0.0001 per share) and € 2,170 thousand (or 0.06 per share) respectively.

30. CASH GENERATED FROM OPERATIONS

All amounts in Euro thousands

	Note	CONSOLIDATED		COMPANY	
		01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Profit before income tax		(171,848)	(11,645)	(143,825)	3,680
Adjustments for					
– depreciation and amortisation	7.8	514	551	348	399
– (profit) / loss on sale of PPE		(15)	(0)	-	(0)
– net gain from fair value adjustment on investment property	6	83,386	(5,388)	64,334	(22,121)
– Provision for inventory impairment	11	2,564	(1,372)	3,964	(1,372)
– Increase in retirement provision	18	229	449	233	495
– Increase in provision for doubtful debt	12	9,847	-	7,230	-
– Increase in other provisions		190	1,862	100	1,021
– interest expense	25	48,389	45,130	37,559	31,800
– interest revenue	25	(6,527)	(6,308)	(4,370)	(5,626)
– (income) / loss from derivatives	25	33,228	(4,227)	33,228	(4,227)
– provision for participations impairment	9	-	-	308	(393)
– dividend (income) / loss	9	-	-	(1,937)	6,960
Changes in working capital:					
– trade and other receivables		(58,015)	1,382	(45,098)	(5,089)
– inventories		(3,113)	5,798	(2,344)	5,620
– payables		(26,398)	(8,258)	(22,375)	(465)
Cash generated from operations		(87,569)	17,974	(72,645)	10,681

PROCEEDS FROM SALE OF PROPERTY PLANT EQUIPMENT IN THE CASH FLOW STATEMENT

All amounts in Euro thousands

	Note	CONSOLIDATED		COMPANY	
		01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
Net book amount		(0)	1	-	1
Profit / (loss) on sale of PPE		15	(0)	-	(0)
Proceeds from sale of PPE		15	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 € 6,679 thousand (2007: € 49,435 thousand) and € 2,931 thousand (2007: € 45,737 thousand) respectively to third parties concerning securing liabilities and fair execution.

At 31 December 2008, there were pending court decisions over injunctions filled against the Group from third parties amounting to € 4,266 thousand (2007: € 3,602 thousand) for which a total provision of € 1,057 thousand (€ 867 thousand) for the Group and € 517 thousand (2007: € 417 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 2008, there were pending court decisions for the cancellation of building permits (Delta Falirou complex, 49 Kifissias Avenue) as far as two buildings are concerned. However, no liability is expected to incur. Additionally, during 2008, a new appeal was submitted against the building permit for the under construction shopping mall in Votanikos (see Note 6). At 31 December 2008, there also were pending court decisions over injunctions filled by the Group against third parties amounting to € 16,232 thousand (2007: € 10,519 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

2006, 'Ergoliptiki - Ktimatiki - Touristiki S.A.' up to the fiscal year 2006, 'Doma S.A.' up to the fiscal year 1998, 'International Palace Hotel S.A.' up to the fiscal year 2006, 'Alteco S.A.' up to the fiscal year 2004 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.

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.

On June 2008, the tax audit for the subsidiary company Babis Vovos International Construction S.A. and Co GP concerning the fiscal years 2003 up to 2006 was completed. The tax audit resulted in tax audit differences amounting to € 11,918 thousand of which, until today, € 10,862 thousand have not been finalised. Due to the respective provisions which had burdened the previous fiscal years' company results, an amount of € 8,476 thousand burdened the income statement of the year ended 31 December 2008 (€ 2,520 thousand in income tax and € 5,956 thousand in administrative expenses). For tax audit differences amounting to € 10,862 thousand, the company has appealed against to administrative courts.

On November 2008, a definite tax settlement of the fiscal years 2003, 2004, 2005 and 2006 for the subsidiary company 'Ergoliptiki - Ktimatiki - Touristiki S.A.' was made. The tax settlement

resulted in tax amount payable amounting to € 4.8 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

On November 2008, a definite tax settlement of the fiscal years 2000, 2001, 2002, 2003 and 2004 for the subsidiary company 'Alteco S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 3.0 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

On December 2008, a definite tax settlement of the fiscal years 2003, 2004, 2005 and 2006 for the subsidiary company 'International Palace Hotel S.A.' was made. The tax settlement resulted in tax amount payable amounting to € 2.4 thousand. The total tax amount is fully covered by the respective provisions which had burdened the previous fiscal years' company results and did not further burden the income statement of 2008.

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

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
No later than 1 year	19,073	21,412	15,657	15,301
Later than 1 year and no later than 5 years	47,404	50,030	42,646	45,669
Later than 5 years	19,993	25,578	18,129	23,844
	86,471	97,020	76,432	84,814

33. RELATED-PARTY TRANSACTIONS

At 31 December 2008, Mr. Charalambos Vovos owns 37.42% of the parent company's shares and voting rights. The remaining 62.58% of the shares are widely held to international institutional investors, domestic institutional investors and private investors.

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
	01/01/2008 31/12/2008	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2007 31/12/2007
SALES OF GOODS AND SERVICES				
Sales of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	3	15
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	3	-
Key management personnel	-	558	-	558
	-	558	6	573
Sales of services				
Innovative Buildings S.A	3	3	-	-
Promise Cafe Ltd.	79	26	-	-
The Greek Coffee Company A.E.	200	134	-	-
	282	163	-	0
PURCHASES OF GOODS AND SERVICES				
Purchases of goods				
Babis Vovos International Construction S.A. & Co GP	-	-	19	124
	-	-	19	124
Purchases of services				
Babis Vovos International Construction S.A. & Co GP	-	-	120	121
Services of key management personnel	1,238	1,410	1,227	1,115
	1,238	1,410	1,347	1,236
KEY MANAGEMENT COMPENSATION				
Salaries and other short term employee benefits	1,537	1,350	1,537	1,350

All amounts in Euro thousands

	CONSOLIDATED		COMPANY	
YEAR-END BALANCES ARISING FROM SALES/ PURCHASES OF GOODS/SERVICES	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Receivables from related parties				
Babis Vovos International Construction S.A. & Co GP	-	-	32,213	42,016
Ergoliptiki - Ktimatiki - Touristiki SA	-	-	749	956
Innovative Buildings S.A	3	1	-	1
Positive Ltd.	499	499	490	490
International Construction S.A - Boretos & Co. GP	48	48	48	48
Ergoliptiki - Ktimatiki - Touristiki SA & Co Ltd	10,874	11,024	4,886	5,036
Marvo S.A	5	5	5	5
Promise Cafe Ltd.	7	7	-	-
The Greek Coffee Company S.A.	571	128	553	128
Key management personnel ⁽¹⁾	27,486	598	27,486	598
	39,493	12,309	66,429	49,277
Payables to related parties				
Doma S.A	-	-	8,891	8,626
International Palace Hotel S.A	-	-	3,841	3,850
Alteco S.A	-	-	10,066	10,270
Elfinko S.A.	-	-	26,157	16,398
The Greek Coffee Company S.A.	-	1	-	-
Key management personnel	86	12,580	86	2,870
	86	12,582	49,040	42,014

Note 1: An amount of € 26,930 thousand concerns advance for participation purchase

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. EVENTS AFTER THE BALANCE SHEET DATE

1. Votanikos project update

During January 2009, the three member Committee of Suspensions of the Council of State decided in favor of the suspension of construction works of the Votanikos shopping mall (land plot 45a of the municipality of Athens, on Aghiou Polycarpou and Aghia Anna Str). The company has proceeded, a few days after, with the submission of an appeal for the retraction of the decision of the Committee for Suspensions of the Council of State, based on new facts, that arose after the issuance of the above-mentioned decision. On March 18th 2009, the Suspension Committee of the Plenary of the Council of State issued its decision not to accept the appeal for the retraction of the suspension of construction works. On March 6th, 2009, the hearing of the appeal against the building permit for the shopping mall in Votanikos at the Plenary of the Council of State had taken place. During the next days, the memorandums of the intervening parties were submitted and the verdict upon the case is anticipated by the Plenary of the Council of State.

2. Repayment before maturity and re-purchase of the building A located at 24 Kifissias Avenue as well as new sale and leaseback contract with Alpha Leasing.

On March 4th, 2009, the company repaid before maturity of the existing sale and lease back contract and repurchased the Building A of the Building complex located at 24 Kifissias Avenue. The price was set at € 10.4 million which reflects the outstanding principal of the initial sale and leaseback contract for the aforementioned building. At the same date, the company signed a new sale and leaseback contract with Alpha Leasing for the same building. The new sale and leaseback contract includes, exactly as the previous one, the total of horizontal ownerships of Building A of the aforementioned Building complex as well as 204 parking spaces. The new sale and lease back agreement of € 26.4 million signed comes to its maturity on March 4th, 2019 with a duration for 10 years. The interest rate defined is Euribor 3month plus a spread of 2.50%.

E. Figures and Information

(Consolidated and Company)

BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A.

Company's No. in the register of Societes Anonymes : 2283/06/B/86/12

Registered Address : 340 Kifissias Avenue, 154 51 N. Psychico

Figures and information for the fiscal year of 1 January 2008 until 31 December 2008

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.

COMPANY DATA	
Board of Directors :	Charalampos Vovos Chairman, Thaleia Vovos Vice-Chairman, Armodios Vovos Chief Executive Officer, Triada Vovos, Evangelia Asimakopoulou, Nicolaos Van Ommen, Kyriaki - Thaleia (Korina) Sylira - Members
Date of approval of the Interim Financial Statements (from which the summary data were derived) :	March 30th, 2009
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
Company Web site :	www.babisvovos.com

BALANCE SHEET (consolidated and company data)				
Amounts in € thousand				
	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS				
Investment property	1,212,018	1,231,727	824,096	827,569
Property, plant and equipment	10,826	10,620	2,080	1,708
Intangible assets	18,942	18,934	16,514	16,506
Other non-current assets	2,388	576	49,740	48,241
Inventories	32,545	31,868	33,592	35,085
Trade Receivables	3,739	3,746	2,172	2,194
Cash and cash equivalents	12,858	92,706	11,174	76,429
Other Assets	82,595	33,466	104,338	65,672
TOTAL ASSETS	1,375,911	1,423,644	1,043,706	1,073,404
EQUITY AND LIABILITIES				
Share capital	10,179	10,179	10,179	10,179
Retained earnings and reserves attributable to the Company's equity holders	398,946	519,721	237,765	338,809
Capital and reserves attributable to the Company's equity holders (a)	409,125	529,900	247,944	348,988
Minority interest (b)	6,894	7,020	-	-
Total equity (c)=(a)+(b)	416,019	536,920	247,944	348,988
Long-term borrowings	530,315	535,096	359,490	423,356
Deferred income tax long term liabilities	88,402	147,558	47,761	91,680
Provisions / Other long term liabilities	55,580	23,049	54,280	21,829
Short-term borrowings	230,534	97,254	216,136	46,373
Other short term liabilities	55,060	83,766	118,094	141,179
Total Liabilities (d)	959,891	886,723	795,762	724,416
TOTAL EQUITY & LIABILITIES (e)=(c)+(d)	1,375,911	1,423,644	1,043,706	1,073,404

CASH FLOW STATEMENT (consolidated and company data)				
Amounts in € thousand				
	CONSOLIDATED		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Operating activities				
Net profit before tax (continued operations)	(171,848)	(11,645)	(143,825)	3,680
Adjustments for:				
Depreciation and amortisation	514	551	348	399
Interest expenses	48,389	45,130	37,559	31,800
Provisions	12,829	939	11,527	145
Results (revenues, expenses, profit, loss) from investment activities	110,073	(15,923)	91,563	(25,408)
Cash generated from operating activities before changes in working capital	(42)	19,052	(2,828)	10,615
Decrease / (increase) of inventory	(3,113)	5,798	(2,344)	5,620
Decrease / (increase) in trade & other receivables	(58,015)	1,382	(45,098)	(5,089)
Increase / (decrease) in short term liabilities (bank liabilities not included)	(26,398)	(8,258)	(22,375)	(465)
Cash flows from operating activities	(87,569)	17,974	(72,645)	10,681
Interest paid	(48,683)	(40,919)	(37,577)	(27,370)
Income tax paid	(4,456)	(2,296)	(3,492)	(2,660)
Net cash generated from operating activities (a)	(140,708)	(25,241)	(113,713)	(19,349)
Cash flows from investing activities				
Additions in investment property, Property, plant and equipment & intangible assets	(64,532)	(25,488)	(61,715)	(21,083)
Proceeds from sale of investment property and Property, plant and equipment	15	1	-	1
Interest received	6,523	6,296	4,370	5,626
Net cash used in investing activities (b)	(57,994)	(19,192)	(57,345)	(15,457)
Cash flows from financing activities				
Inflows from derivatives	3,519	5,630	3,519	5,630
Borrowings payback (bank loans)	(69,188)	(51,386)	(33,388)	(51,386)
Borrowings payback (finance leases)	(21,909)	(17,570)	(15,773)	(17,655)
Borrowings inflows	218,938	157,340	154,243	156,940
Increase / (Decrease) of other short-term financing	(12,503)	(26,216)	(2,793)	(26,751)
Dividend paid	(3)	(2,170)	(3)	(2,170)
Net cash used in financing activities (c)	118,853	65,629	105,804	64,608
Net cash used in financing activities (a) + (b) + (c)	(79,848)	21,196	(65,255)	29,802
Cash and cash equivalents at beginning of the year	92,706	71,509	76,429	46,627
Cash and cash equivalents at end of the year	12,858	92,706	11,174	76,429

INCOME STATEMENT (consolidated and company data)				
Amounts in € thousand				
	CONSOLIDATED		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Rental Revenue from Investment Property	31,588	28,667	20,914	19,213
Net gain / (loss) from fair value adjustment on investment property	(83,386)	5,388	(64,334)	22,121
Minus : operating expenses	4,562	2,258	3,370	1,376
Gross profit / (loss) from investing activity	(56,360)	31,797	(46,790)	39,958
Earnings / (loss) before interest and tax	(96,757)	22,950	(79,036)	32,193
Profit / (loss) before taxation	(171,848)	(11,645)	(143,825)	3,680
Net Profit / (loss) for the year - total	(120,901)	(7,758)	(101,044)	5,303
Attributable to:				
Equity holders of the Company	(120,775)	(7,472)	(101,044)	5,303
Minority interest	(126)	(286)	-	-
	(120,901)	(7,758)	(101,044)	5,303
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)	(3,5595)	(0,2202)	(2,9780)	0,1563
Earnings / (loss) before interest, tax, depreciation and amortisation	(96,243)	23,501	(78,688)	32,592

CHANGES IN EQUITY (consolidated and company data)				
Amounts in € thousand				
	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Total Equity (at 1/1/2008 and 1/1/2007 respectively)	536,920	544,678	348,988	343,685
Retained earnings (continued operations)	(120,901)	(7,758)	(101,044)	5,303
Equity balance (31/12/2008 and 31/12/2007 respectively)	416,019	536,920	247,944	348,988

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	Percentage %
a. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. Registered office : 340 Kifissias Avenue, N. Psychico	Parent
b. BABIS VOVOS INTERNATIONAL CONSTRUCTION S.A. & Co G.P. Registered office : 340 Kifissias Avenue, N. Psychico	99,90%
c. DOMA S.A. Registered office : 64 Kifissias Avenue, Maroussi	98,98%
d. ALTECO S.A. Registered office : 340 Kifissias Avenue, N. Psychico	99,01%
e. ERGOLIPTIKI - KTIMATIKI - TOURISTIKI S.A. Registered office : 340 Kifissias Avenue, N. Psychico	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, N. Psychico	51,00%
g. ELFINKO S.A. Registered office : 340 Kifissias Avenue, N. Psychico	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 2006, 'Ergoliptiki - Klimatiki - Touristiki S.A.' up to the fiscal year 2006, 'DOMA S.A.' up to the fiscal year 1998, 'INTERNATIONAL PALACE HOTEL S.A.' up to the fiscal year 2006, 'ALTECO S.A.' up to the fiscal year 2004 and 'ELFINKO S.A.' up to the fiscal year 2004.
- The Group and Company's Investment properties, as well as inventories and intangible assets, include mortgage amounts to the value of € 312,358 thousand for the Group and € 238,937 thousand for the company to secure borrowings (including sale and leaseback agreements), as at 31/12/2008.
- At 31/12/2008, there were pending court decisions over injunctions filed against the Group and the Company from third parties, for which a total provision of € 1,057 thousand and € 517 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.
- At 31/12/2008, the Group and the Company have formed a total provision amounting to € 5,865 thousand (31.12.2007: € 7,755 thousand) and € 1,469 thousand (31.12.2007: € 3,327 thousand) respectively for probable additional tax liabilities due to tax unaudited fiscal years.
- Number of employees at the end of year (31/12/2008): Group 518 individuals, Parent company 512 individuals, (31/12/2007: Group: 521, Parent Company: 505)
- The emphasis of matter in the Independent auditor's report refers to certain uncertainties surrounding the Votanikos project (refer to Note 6 of the Financial Statements), as well as their potential impact on the financial position of the Company and Group which cannot be estimated at present time.
- Related party transactions at 31/12/2008 :

	CONSOLIDATED	COMPANY
a) Revenue	282	6
b) Expenses	1,238	1,365
c) Receivables	12,007	38,943
d) Payables	-	48,955
e) Remuneration of BoD members and key management personnel	1,537	1,537
f) Receivables from BoD members and key management personnel	27,486	27,486
g) Payables to BoD members and key management personnel	86	86
- Turnover Analysis according to STAKOD-2003 :

	CONSOLIDATED	COMPANY		
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Code 701.1 Development and sale of real estate :	4,724	55,874	4,724	55,874
Code 702.0 Leasing of private real estate :	46,772	44,060	31,967	30,587
Code 452.1 Construction of buildings and civil engineer technical works :	1,367	1,310	1,367	1,037
Code 515.3 Wholesale trade of wood, building material and sanitary goods :	-	-	6	15
Code 515.7 Wholesale trade of scrap :	-	50	-	50
- Any differences to the totals are due to rounding.

F. Information according with the provisions (Article 10 of L.3401/2005)

The company, according to the provisions of the current legislation, published and made available to the investment community, during 2008, in the company website www.babisvovos.com (Investors Relation / Investors News) as well as the Athens Stock Exchange website www.athex.gr the information included in the following table:

DATE	SUBJECT	PROTOCOL NUMBER
10/01/2008	BVIC Group sale and leaseback agreement for euro 80 million	814
11/01/2008	Hotel Development in Sounio	1041
29/02/2008	2008 Financial calendar (Schedule of intended corporate actions)	7073
11/03/2008	Announcement of regulated information according to Law 3556/2007	7832
11/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	7838
14/03/2008	Construction of the basement area underway for the Votanikos Shopping Mall	8454
17/03/2008	2008 Financial calendar update	8687
20/03/2008	Announcement of regulated information according to Law 3556/2007	9121
20/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9122
21/03/2008	Announcement of regulated information according to Law 3556/2007	9317
21/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9318
24/03/2008	Announcement of regulated information according to Law 3556/2007	9494
24/03/2008	Announcement of regulated information according to Law 3556/2007	9495
24/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	9496
28/03/2008	Announcement of regulated information according to Law 3556/2007	10167
28/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	10180
31/03/2008	Financial statements according to IFRS	10779
31/03/2008	Financial statements according to IFRS	10781
31/03/2008	Full year 2007 Financial results	10860
31/03/2008	Full year 2007 Financial results (continued)	10861
31/03/2008	Announcement of regulated information according to Law 3556/2007	10955
31/03/2008	Notification of transactions art. 13 para. 1 L.3340/2005	10972
01/04/2008	Announcement of regulated information according to Law 3556/2007	11547
01/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11561
02/04/2008	Announcement of regulated information according to Law 3556/2007	11734
02/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11733
03/04/2008	Announcement of regulated information according to Law 3556/2007	11921
03/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	11922
04/04/2008	Announcement of regulated information according to Law 3556/2007	12196
04/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12195
07/04/2008	Announcement of regulated information according to Law 3556/2007	12378
07/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12379
08/04/2008	Announcement of regulated information according to Law 3556/2007	12507
08/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12508
09/04/2008	Announcement of regulated information according to Law 3556/2007	12661
09/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12667
09/04/2008	Announcement of regulated information according to Law 3556/2007	12662
10/04/2008	Announcement of regulated information according to Law 3556/2007	12814
10/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12815

DATE	SUBJECT	PROTOCOL NUMBER
11/04/2008	Announcement of regulated information according to Law 3556/2007	12987
11/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	12989
14/04/2008	Announcement of regulated information according to Law 3556/2007	13165
14/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	13166
15/04/2008	Announcement of regulated information according to Law 3556/2007	13289
15/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	13291
16/04/2008	Announcement of regulated information according to Law 3556/2007	13474
16/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	13481
16/04/2008	Comments on press publications	13507
17/04/2008	Announcement of regulated information according to Law 3556/2007	13655
17/04/2008	Notification of transactions art. 13 para. 1 L.3340/2005	13656
22/04/2008	Announcement of regulated information according to Law 3556/2007	14171
29/05/2008	Financial statements according to IFRS	19018
30/05/2008	Financial statements according to IFRS	19126
30/05/2008	1st Quarter 2008 Financial Results	19211
06/06/2008	Invitation of the shareholders to the Annual General Meeting	21050
09/06/2008	Conference Call for the Fiscal Year 2007 Financial Statements	21265
13/06/2008	Annual Report 2007	22127
30/06/2008	Announcement of regulated information according to Law 3556/2007	24192
30/06/2008	Ordinary Annual General Meeting Decisions	24225
30/06/2008	Ordinary Annual General Meeting Decisions (Continued)	24226
16/07/2008	Votanikos update	26293
28/08/2008	Financial statements according to IFRS	31091
28/08/2008	Financial statements according to IFRS	31093
29/08/2008	H1 2008 Financial Statements	31223
01/09/2008	Votanikos Building Permit	32012
24/09/2008	Announcement of regulated information	35544
27/10/2008	Announcement of regulated information according to Law 3556/2007	40740
27/11/2008	Financial statements according to IFRS	46133
27/11/2008	Financial statements according to IFRS	46136
28/11/2008	9 Months 2008 Financial Statements	46287
05/12/2008	The Votanikos shopping mall is legitimate and will be completed on time	47903
08/12/2008	Suspension of trading of the shares of BVIC S.A. on Athex	48023
08/12/2008	Suspension of trading of the shares of BVIC S.A. on Athex	48031
08/12/2008	Suspension of trading of the shares of BVIC S.A.	48094
08/12/2008	Suspension of trading of the shares of BVIC S.A.	48113
12/12/2008	Update regarding the Votanikos project	48698
16/12/2008	Strong fundamentals secure the Company's future	48975



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