PIRAEUS REAL ESTATE INVESTMENT COMPANY

Six-Month Financial Report
for the period
from 01.01.2008 to 30.06.2008

(According to art. 5, L.3556/2007)

CONTENTS

STATEMENT (article 5 of L.3556/2007)

To the best of our knowledge, the Interim Financial Statements have been prepared in accordance with the applicable International Financial Reporting Standards, give a fair and true view of the assets, liabilities and financial position of PIRAEUS REAL ESTATE INVESTMENT COMPANY, as provided in art. 5 par. 3 - 5 of Law 3556/2007 and the Board of Director's interim report as of 30 June 2008 provides all information required by art. 5 par. 6 of Law 3556/2007.

Athens, 29 July 2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE MEMBER OF BOARD OF DIRECTORS
THEODOROS N. PANTALAKIS	KONSTANTINOS A. CHRYSSIKOS	KONSTANTINOS A. MARKAZOS

BOARD OF DIRECTORS' SIX MONTH REPORT ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008.

I. FINANCIAL POSITION OF THE COMPANY

Operating Income

Income from leased assets amounted to € 3.757 thous. compared to € 4.029 thous. in the first half of 2007 representing a decline of 6,75% due to the sale of properties. Specifically, during the period 01.07.2007 to 31.12.2007 the Company has proceeded with the disposition of two assets located in Athens (Axarnon 421 and Kifisias 296) at a price of €4.600 thous. During the first half of 2008 the Company acquired an income producing property (offices) in Peristeri, Attica at a price of € 630 thous. Also it disposed two gas stations in Larisa. and a part of the building in Tsimiski Ave., Thessaloniki at a total price of € 9.680 thous. generating a total profit € 831thous.

Earnings from adjustments to fair values of investment properties amounted to € 2.256 thous. compared to € 2.273 thous. in 2007.

The real estate portfolio of the Company is valued at € 94.015 thous. as of 30.6.2008 and the valuation has been conducted by the Hellenic Body of Chartered Accountants at it is imposed by the L.2778/1999.

Interest income from deposits amounted to € 307 thous. compared to € 182 thous. in 2007 representing an increase of 68,7% stemming from the simultaneous increase in interest rates and in cash.

Accordingly, total income amounted to € 7.150 thous. compared to € 6.485 thous. in the first half of 2007 representing an increase of 10,25% mainly due to the increase of earnings generated from sales of investment properties.

Operating Expenses

The Company's operating expenses amounted to € 975 thous. compared to € 1.253 thous. in 2007 representing an important decrease of 22% which is attributed to last years accurate provisions.

Earnings

Hence the earnings before tax, for the first six month period of 2008 amounted to € 6.175 thous. compared to € 5.232 thous. in the first half of 2007 representing an increase of 18% which can be attributed to the increase of earnings generated from sales of investment properties and to the reduction of the Company's operating expenses.

The after tax earnings for the first half of 2008 amounted to € 5.894 thous. compared to € 4.964 thous. representing an increase of 18,7%

Cash Flows

The Cash of the Company, after the subtraction of dividends of 2007 amounted to € 18.351 thous. compared to € 13.408 thous. in last year's semester representing an increase of 37,07%. The actual increase is 175,66% after taking into consideration that in Cash of the first six moth period of 2007 the dividends of 2006 (€ 6.751thous.) are included and which were paid in August 2007.

Share Information

Earnings per share 30.6.2008	:0,1074
Earnings per share 30.6.200	:0,0904
Percentage change in Earnings	:18,8%
Share Price as of 30.6.2008	:1,63€
Intrinsic Value of Share	:2,03€

Return Indices

Return on Equity	**Return on Assets**
30.6.2008 : 5,29%	30.6.2008 : 5,23%
30.6.2007 : 4,58%	30.6.2007 : 4,28%
%Change : 15,5%	%Change : 22,3%

II. REAL ESTATE MARKET PROSPECTS

After a long period of continuous growth in most foreign countries and domestically, the real estate markets are showing signs of recession. Although it is difficult to forecast their progress till the end of 2008, due to the high level of ambiguity that covers the financial markets, international research shows that total returns of the industry are significantly declining. Facts like low rent growth, substantial price appreciation over recent years, the credit crunch that bans investment funds to get access to capital and the global uncertainty of investors compose a negative era for the year.

International Markets

Dissimilar trends are observed in Europe. Prices are falling in some countries while elsewhere are soothing. Countries like UK, Ireland, and Spain which have faced steep price growth and exposure to subprime loans over the last five years are most to be affected while others like Germany, Holland and Sweden whose real estate cycles are in different phase manage to maintain their returns compared to 2007. Naturally the fundamentals of each country (i.e. new supply, rent growth) are driving total returns. Central and Eastern Europe is showing the highest annual rental growth and absorption of new space.
Indirect investments in real estate demonstrate the reformation of prices with the total return of FTSE EPRA/NAREIT Real Estate Index (Europe) being -22,68% from the beginning of the year till the second quarter of 2008.
The US economy is in recession and the government through the Fed is trying to offset the huge losses of the banking system stemming from their exposure in the particularly risky investments of subprime loans. GDP growth is not expected to exceed 1% till the end of the year with private consumption falling significantly due to high oil prices, the weak dollar and the highly levered positions of households.
Finally, while the Asian real estate markets are in better position their total returns are not expected to exceed last year's levels.

Greek Market

Demand for office space is remaining stable and mainly concerns the relocation of firms in a try to reduce operating costs through the clustering of their businesses in buildings of lower projection but of superior quality. The development of transportation infrastructure (mainly the Metro) has formed new clusters of economic activity like Athinon and Vouliagmenis Av., Pireos str. and certain parts of Attiki Odos. The prime rent in the Central Business District (CBD) is in the range of 27-30€/sqm with the prime yield being 6,5% and in certain occasions reaching 7%.
The retail sector is characterized by the development of shopping centers with 382.000sqm entering the market till 2010. The prime rent in shopping centers is based upon the leasable areas and the tenant reliability (anchor or standard).
Rents in High Streets remain stable with demand mainly coming from international brands entering the market that face difficulties in finding leasable areas over their minimum standard of 200sqm in ground floors. The prime rent in the Central Business District is 350€/sqm (Ermou str., Kolonaki) while in periph-

eral markets (Glyfada, Kifisia, Piraeus) is formed down 15%-20%. The prime yield is 5,5% and reaches 6% in less commercial markets or in main avenues.
Lastly the industrial sector remains balanced due to the shortage of available land in existing industrial areas and the high prices of land plots in relocation areas such as those in Western Attica (Aspropirgos, Elefsina, Thriasio, Mandra, Magoula) and those in Northern Attica (Krioneri, Ag.Stefanos, Oinofita, Sximatari) where significant demands (over10.000sqm) are targeted. The prime rent for high quality space is 6,5€/sqm and the annual rental growth is 8%. The prime yield is 7,5% . Still most companies in the industry are waiting the development of the new industrial park concept (i.e. in Thriasio, Promaxonas) which will guarantee full services of storage and distribution of their products.

III. COMPANY'S PROSPECTS FOR THE SECOND HALF OF 2008. MAIN RISKS AND UNCERTAINTIES

COMPANY'S PROSPECTS

After taking into consideration the real estate market conditions prevailing in Greece and internationally, the Company during the second half 2008 will seek to improve its results and cash flow with the intention to continue providing its shareholders high dividend yields.

In particular the Company will seek:

- To place its available capital into investments returning yields above market average.
  The Company's investment strategies will continue to be based on property yields, the construction quality of the properties, property location, tenants' reliability and the prospect of creating capital growth.
- To dispose properties only if value maximization is succeeded and the available capital can be invested in properties of higher and safer yields.
- To maintain and improve the functionality of its properties by creating better conditions that maximize the Company's and tenants' benefit in terms of security-insurance, maintenance-renovation, cleaning, projection-property visiting.
- To maintain the objective of controlling/reducing its operating expenses in order to improve corporate results.
- To upgrade the third party services provided to it, in order to achieve more efficient and productive execution of working.

MAIN RISKS

Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables
Risk management is carried out by the Company's management. Risk management covers specific areas such as market risk, credit risk, liquidity risk, real estate market risk.

a) Market Risk
i) Foreign exchange risk
The Company operates only in Greece and is not exposed to foreign exchange risk arising from various currencies exposures.

ii) Price risk
The Company is exposed to property and property rentals risk. To reduce the property risk the company conducts multiyear lease agreements with duration of at least 12 years in which the indexation of rents is strictly tied to the Consumer Price Index plus a maximum spread of 200bps. The Company is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.
iii) Cash flow and fair value interest rate risk

The Company has significant interest-bearing assets such as bank deposits and repos. The Company is not exposed to changes in market interest rates, since its bank deposits have guaranteed return.

b) Credit risk
The Company has concentrations of credit risk that arise from credit exposures with respect to rental customers including outstanding receivables. In order to limit the amount of rental exposure, rental contracts are made with customers with an appropriate credit history. The Company has no outstanding bank credits.

c) Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the careful choice of investments movements.

d) Real estate market risk
Within the framework of real estate market there are risks concerning:
a) geographical position and marketability of property
b) reliability and solvency of the lessee
c) the treatment of property from the lessee
d) the general business activity of the area
e) the trends of commercial upgrade or downgrading of the area of property

In general when the economy is sound and prosperous, with low levels of inflation and low interest rates, with an increase in investments, employment and consumption, an increase in demand of new shops and offices is created. On the contrary, in unfavorable economic situations with low demand of product and services a decrease in demand of new shops and offices takes place.
The Company is protected against relative risks due to its institutional framework, according to which a) property in company's portfolio is valued periodically by independent professionally qualified valuers and b) investments in development and construction of property are not included.

Capital Risk Management

The Company's objectives when managing capital is to are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure and to be consistent with L2778/1999.
Capital risk is non existent for the Company, due to the high level of capital and low level of liabilities.
Dividends distribution is always covered by Company's cash. Any increase in investment property can be covered by share capital issue or by borrowing according to L 2778/1999.

IV. RELATED PARTIES TRANSACTIONS FOR THE FIRST HALF OF 2008

(amounts in thousand €)

	30.06.2008		01.01.2008-30.06.2008	
RELATED PARTIES	**TOTAL RECEIVABLES**	**TOTAL LIABILITIES**	**TOTAL REVENUES**	**TOTAL EXPENSES**
PIRAEUS BANK S.A.	18.348,51	192,83	3.106,51	324,77
PIRAEUS REAL ESTATE S.A.	-	89,0	-	149,58
PIRAEUS ATFS S.A.	-	7,33	-	37,28
EXECUTIVES & MEMBERS OF THE BOARD	-	-	-	21,59

In Detail:
a) BANK OF PIRAEUS
Receivables from Mother Company - Bank of Piraeus- concern bank deposits while revenues concern rental income equal to € 2.799, 87 thous. plus interest equal to € 306,64 thous. Expenses concern consulting services provided and real estate development works.
b) PIRAEUS REAL ESTATE
Expenses concern property facility management.
c) PIRAEUS ATFS
Expenses concern financial/accounting services.

Athens, 1 August 2008

THE CHAIRMAN OF THE BOARD
OF DIRECTORS

THEODOROS N. PANTALAKIS

Report on review of interim financial information

To the Shareholders of PIRAEUS A.E.E.A.P

Introduction

We have reviewed the accompanying condensed balance sheet of PIRAEUS A.E.E.A.P (the "Company") as of 30 June 2008, the related company condensed statements of income, changes in equity and cash flows for the six-month period then ended which also include certain explanatory notes, that comprise the interim financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. The Company's Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and as applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" to which Greek Auditing Standards refer to. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

In addition to the interim financial information referred to above, we reviewed the remaining information included in the six-month financial report as required by article 5 of L.3556/2007 as well as the information required by the relevant Decisions of the Capital Markets Committee as set-out in the Law. Based on our review we concluded that the financial report includes the data and information that is required by the Law and the Decisions referred to above and is consistent with the accompanying financial information.

Athens, August 4 2008
THE CERTIFIED AUDITOR

Vassilios Goutis
SOEL Reg. No. 10411

PricewaterhouseCoopers S.A.
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

Interim Condensed Financial Information

30 June 2008

According to the International Financial Reporting Standards

The attached condensed interim financial information have been approved by Piraeus R.E.I.C. Board of Directors on 29.07.2008 and they are available in the web site of Piraeus R.E.I.C. at www.piraeusaeeap.gr

INTERIM BALANCE SHEET

	Note	30.06.2008	31.12.2007
ASSETS			
Non – Current Assets			
Tangible Assets		832,71	1.126,83
Intangible Assets		435,20	571,88
Investments Property	6	94.015.564,00	99.717.252,00
Other receivables		36.128,56	36.128,56
		94.052.960,47	**99.755.079,27**
Current Assets			
Trade receivables	7	46.856,63	190.375,79
Other receivables	8	177.159,37	85.418,59
Cash and cash equivalents		18.351.060,29	13.644.172,47
		18.575.076,29	**13.919.966,85**
TOTAL ASSETS		**112.628.036,76**	**113.675.046,12**
LIABILITIES			
EQUITY			
Share Capital		62.023.711,20	62.023.711,20
Share Premium		163.190,75	163.190,75
Reserves		1.759.428,18	1.759.428,18
Retained earnings		47.500.267,51	48.741.871,36
TOTAL EQUITY		**111.446.597,64**	**112.688.201,49**
Non – current liabilities			
Retirement benefit obligations		13.191,48	11.664,00
Other non-current liabilities		102.102,76	83.884,98
		115.294,24	**95.548,98**
Current liabilities			
Suppliers and other liabilities	9	785.228,32	608.256,54
Income tax	10	280.916,56	283.039,11
		1.066.144,88	**891.295,65**
TOTAL LIABILITIES		**1.181.439,12**	**986.844,63**
TOTAL EQUITIES AND LIABILITIES		**112.628.036,76**	**113.675.046,12**

INTERIM INCOME STATEMENT

	Note	01.01.2008-30.06.2008	01.01.2007-30.06.2007	01.04.2008-30.06.2008	01.04.2007-30.06-2007
Income from leased assets		3.756.645,45	4.029.326,02	1.860.198,69	2.017.311.47
Gains from adjustments to fair values	6	2.255.606,56	2.273.274,00	1.272.374,69	1.136.637,00
Gains/Losses from sale of investment property		830.743,00	-	830.743,00	-
Interest Income		306.641,42	182.325,23	154.970,46	91.036,00
Total Operating Income		**7.149.636,43**	**6.484.925.25**	**4.118.286.84**	**3.244.984,47**
Investment property operating expenses	11	(396.153,02)	(296.653,04)	(225.276,79)	(129.041,48)
Staff costs		(32.681,25)	(33.173,74)	(18.180,21)	(17.150,76)
Other operating expenses	12	(545.587,45)	(922.787,80)	(247.324,23)	(607.333,01)
Depreciation		(430,80)	(450.95)	(215,40)	(217,87)
Total Operating Expenses		**(974.852.52)**	**(1.253.065,53)**	**(490.996,63)**	**(753.743,12)**
Profit Before Income Tax		**6.174.783,91**	**5.231.859,72**	**3.627.290,21**	**2.491.241,35**
Income tax expense	10	(280.916,56)	(267.636,66)	(136.296,45)	(133.150,03)
Profit for the Period		**5.893.867,35**	**4.964.223,06**	**3.490.993,76**	**2.358.091,32**
Earnings per Share (in €)					
Basic & Diluted	13	0,1074	0,0904	0,0636	0,0430

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2007	**62.023.711,20**	**163.190,75**	**1.090.233,40**	**46.963.692,48**	**110.240.827,83**
Dividends paid for year 2006	-	-	-	(6.751.253,52)	**(6.751.253,52)**
Retained earnings transferred to other reserves	-	-	347.944,50	(347.944,50)	**0,00**
Profit for the period 01.01.2007-31.03.2007	-	-	-	4.964.223,06	**4.964.223,06**
Balance as at 31 March 2007	**62.023.711,20**	**163.190,75**	**1.438.177,90**	**44.828.717,52**	**108.453.797,37**
Opening balance as at 1st July 2007	**62.023.711,20**	**163.190,75**	**1.438.177,90**	**44.828.717,52**	**108.453.797,37**
Retained earnings transferred to other reserves	-	-	321.250,28	(321.250,28)	**0,00**
Profit for the period 01.07.2007 – 31.12.2007	-	-	-	4.234.404,12	**4.234.404,12**
Balance as at 31 December 2007	**62,023,711.20**	**163,190.75**	**1.759.428,18**	**48.741.871,36**	**112.688.201,49**
Opening balance as at 1 January 2008	**62,023,711.20**	**163,190.75**	**1.759.428,18**	**48.741,871,36**	**112.688.201,49**
Dividends paid for year 2007	-	-	-	(7.135.471,20)	**(7.135.471,20)**
Profit for the period 01.01.2008-30.06.2008	-	-	-	5.893.867,35	**5.893.867,35**
Balance as at 31 March 2008	**62.023.711,20**	**163.190,75**	**1.759.428,18**	**47.500.267,51**	**111.446597,64**

INTERIM CASH FLOW STATEMENT

	Note	01.01.2008-30.06.2008	01.01.2007-30.06.2007
Cash flows from operating activities			
Profit before tax		6.174.783,91	5.231.859,72
Adjustments to profit before tax :			
Depreciation		430,80	450,95
Provisions		1.527,48	301.684,00
Gains from adjustments to fair values	6	(2.255.606,56)	(2.273.274,00)
Gains from sale of investment property	6	(830.743,00)	-
Results (income, expenses, profits & losses) from investing activities		(306.641,42)	(182.325,23)
Adjustments related to working capital or operating activities :			
Acquisition of investment property	6	(891.962,44)	-
Income from sale of investment property	6	9.680.000,00	-
(Increase)/ decrease in receivables		51.778,38	(221.638,18)
(Decrease) / Increase in liabilities (banks not included)		191.658,37	(120.706,86)
Less :			
Tax expenses		(283.039,11)	(164.615,73)
Net cash from operating activities		**11.532.186,41**	**2.571.434,67**
Cash flows from investing activities			
Acquisition of intangible assets		-	(331,50)
Interest Income		306.641,42	182.325,23
Net cash from investing activities		**306.641,42**	**181.993,73**
Cash flows from financing activities			
Dividends paid		(7.131.940,01)	(152,21)
Net cash from financing activities		**(7.131.940,01)**	**(152,21)**
Net increase / (decrease) in cash and cash equivalents		**4.706.87,82**	**2.753.276,19**
Cash and cash equivalents at beginning of period		**13.644.172,47**	**10.654.465,96**
Cash and cash equivalents at end of period		**18.351.060,29**	**13.407.742,15**

NOTES ON INTERIM CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY

Piraeus R.E.I.C. operates in accordance with the Law 2190/1920 and the Law 2778/1999 concerning investment property portfolio management. The main object of the company is to lease assets through operating leases.
Company operates in Greece and its head offices are at 5, Korai Street in Athens.
Company's shares trade in the Athens Stock Exchange.
Company is member of Piraeus Bank Group. Piraeus Bank is the major shareholder of the Company with 38.78% participation stake in its share capital on 30.06.2008. The attached financial statements have been approved by the Company's Board of Directors on 29.07.2008.

2. GENERAL ACCOUNTING POLICIES OF THE COMPANY

The accounting policies adopted for the preparation of these condensed financial statements are consistent with those of the annual statements for the year ended 31.12.2007. The Group applies IFRS 8 since 01.01.2007 and the full report of required notifications according to IFRS 8 will be contained in the annual financial statements for the fiscal year 2008.

2.1 BASIS OF PRESENTATION OF THE INTERIM CONDENSED FINANCIAL INFORMATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and should be read in conjunction with the Company's published financial statements for the year ended 31.12.2007, **that were edited according to the International Accounting Standards.**

2.2 New standards, amendments to standards and interpretations:

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

No new standards have been issued that are mandatory for the current financial year end.

Interpretations effective for year ended 31 December 2008

IFRIC 11 - IFRS 2: Group and Treasury share transactions
This interpretation is effective for annual periods beginning on 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 - Service Concession Arrangements
This interpretation is effective for annual periods beginning on 1 January 2008 and 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
This interpretation is effective for annual periods beginning on 1 January 2008 and applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended 31 December 2008

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

Amendments to IAS 23 – Borrowing Costs
This standard is effective for annual periods beginning on or after 1 January 2009 and replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Standard will not affect the Group's financial statements.

Amendments to IAS 1 'Presentation of Financial Statements'
IAS 1 has been revised to enhance the usefulness of information presented in the financial statements and is effective for annual periods beginning on or after 1 January 2009. 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 re-

statements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will make the necessary changes to the presentation of its financial statements in 2009.

Amendments to IFRS 2 'Share Based Payment'
The amendment, effective for annual periods beginning on or after 1 January 2009, 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.

Revisions to IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements'
A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements is 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. The above mentioned Standards do not apply for the Group.

Amendments to IAS 32 and IAS 1 Puttable Financial Instruments
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. Both amendments are effective for annual periods beginning on or after 1 January 2009. The Group does not expect these amendments to impact the financial statements of the Group.

Interpretations effective after year ended 31 December 2008

IFRIC 13 – Customer Loyalty Programmes
This interpretation is effective for annual periods beginning on 1 July 2008 and 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
This interpretation is effective for annual periods beginning on 1 January 2009 and 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 a particular case. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation
This interpretation is effective for annual periods beginning on 1 October 2008 and 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.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Management makes estimates and assumptions concerning the future. The resulting amounting 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 financial year are outlined below:

<u>Estimate of fair value of investment properties :</u>
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 Company determines the amount within the range of reasonable fair value estimates. In making its judgement, the Company 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 process 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;
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.

4. BUSINESS SEGMENTS

The Company has identified the following business segments:

- Shops
- Offices
- Gas stations
- Garages

The Company activates only in the Greek market and consequently there is not an analysis in secondary business segments. Segment results are as follows:

01.01.2008-30.06.2008	Shops	Offices	Gas Stations	Garages	Unallocated	Total
Income from leases	515.273,42	2.799.866,68	363.694,53	77.810.82	0,00	3.756.645,45
Gains form adjustments	(669.460,00)	2.262.246,56	390.812,00	272.008,00	0,00	2.255.606,56
Gains from sale of investment property	0,00	374.808,00	455.935,00	0,00	0,00	830.743,00
Total income from property	(154.186,58)	5.436.921,24	1.210.441,53	349.818,82	0,00	6.842.995,01
Net Financial Outcome	0,00	0,00	0,00	0,00	306.641,42	306.641,42
Total operating expenses	(54.337,61)	(295.256,94)	(38.353,02)	(8.205,46)	(578.699,50)	(974.852,52)
Profit before taxes	**(208.524,19)**	**5.141.664,30**	**1.172.088,51**	**341.613,36**	**(272.058,08)**	**6.174.783,91**
Tax Expense	(43.158,70)	(144.281,26)	(28.259,16)	(19.094,49)	(46.122,95)	(280.916,56)
Profit after taxes	**(251.682,88)**	**4.997.383,04**	**1.143.829,35**	**322.518,87**	**(318.181,03)**	**5.893.867,35**

30.06.2008	Shops	Offices	Gas Stations	Garages	Unallocated	Total
Segment assets	17.281.514,00	57.772.799,00	11.315.475,00	7.645.76,00	1.267,91	94.016.831,91
Total of claims and cash	79.128,00	0,00	0,00	63.624,31	18.468.452,54	18.611.204,85
Total Assets	17.360.642,00	57.772.799,00	11.315.475,00	7.709.400,31	18.469.720,45	112.628.036,76
Total liabilities	102.102,76	0,00	0,00	0,00	1.079.336,36	1.181.439,12

01.01.2007- 30.06.2007	Shops	Offices	Gas Stations	Garages	Unallocated	Total
Income from leases	638.082,83	2.945.380,22	369.180,63	76.682.34	0,00	4.029.326,02
Gains form adjustments	(132.837,00)	1.893.442,00	285.489,00	227.180,00	0,00	2.273.274,00
Total income from property	505.245,83	4.838.822,22	654.669,63	303.862,34	0,00	6.302.600,02
Net Financial Outcome	0,00	0,00	0,00	0,00	182.325,23	182.325,23
Total operating expenses	(46.977,88)	(216.849,17)	(27.180,37)	(5.645,62)	(956.412,49)	(1.253.065,53)
Profit before taxes	**458.267,95**	**4.621.973,05**	**627.489,26**	**298.216,72**	**(774.087,26)**	**5.231.859,72**
Tax Expense	(39.905,24)	(152.449,19)	(27.927,98)	(16.150,00)	(31.204,26)	(267.636,66)
Profit after taxes	**418.362,71**	**4.469.523,87**	**599.561,28**	**282.066,72**	**(805.291,52)**	**4.964.223,06**

31.12.2007						
Segment assets	17.688.974,00	62.335.782,00	12.318.728,00	7.373.768,00	1.698,71	99.718.950,71
Total of claims and cash	144.240,79	0,00	0,00	82.263,56	13.729.591,06	13.956.095,41
Total Assets	17.833.214,79	62.335.782,00	12.318.728,00	7.456.031,56	13.731.289,77	113.675.046,12
Total liabilities	83.884,98	0,00	0,00	0,00	902.959,65	986.844,63

5. RELATED PARTY TRANSACTIONS

The company has transaction with other companies of Piraeus Bank Group. All transaction with the Parent Company and related parties arm's length transactions take place in the normal course of business.

	30.06.2008		01.01.2008 – 30.06.2008	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	18.348.507,25	192.828,24	3.106.508,10	324.770,88
Other related parties	0,00	96.326,35	0,00	186.855,87
TOTAL	**18.348.507,25**	**289.154,59**	**3.106.508,10**	**511.626,75**

	31.12.2007		01.01.2007 – 30.06.2007	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	13.569.976,33	194.309,20	3.125.545,93	325.434,66
Other related parties	0,00	96.490,53	0,00	185.125,96
TOTAL	**13.569.976,33**	**290.799,73**	**3.125.545,93**	**510.560,62**

Receivables from Mother Company, concern bank deposits in Mother Bank, while the income concerns rents from investment properties. The expenses concern the provision of consulting services and property facility management.

BENEFITS TO THE MANAGEMENT

For the period 01.01.2008 to 30.06.2008, emoluments were € 21.592,50, when for the period 01.01.2007 to 30.06.2007 were € 30.769,26.

6. INVESTMENT PROPERTY

The investment property of the company is analysed as follows:

	30.06.2008	31.12.2007
OPENING BALANCE	**99.717.252,00**	**99.928.635,00**
Acquisitions	891.962,44	567.984,50
Gains form adjustments to fair values	2.255.606,56	2.773.621,50
Cost of sales	(8.849.257,00)	(3.552.989,00)
CLOSING BALANCE	**94.015.564,00**	**99.717.252,00**

The current period's acquisitions amount to 891.962,44 € and include the purchase of an office real estate property in Peristeri for the price of 629.962,44 € and improvements on the Komotini Kosmopolis Center building € 262.000,00. The Company proceeded with the sale of 2 gas stations and part of the offices building in Tsimiski Ave., Thessaloniki for the price of € 9.680.000.

The investment property is free of any liens or encumbrances. The Company has full ownership on its real estate property, save for its 50% indiviso ownership on its real asset situated at 87, Sigrou Avenue, Athens.

The Company's investment properties evaluation for the period ended on 30.06.2008 was performed according to the 09.07.2008 evaluation report made by independent professionally qualified valuers (S.O.E.), according to L.2778/1999.

The Greek State has communicated to the Company a petition for the determination of a temporary compensation due to the expropriation of part of the Company's grounds in Anthili, Fthiotida, of fair value €872 thousand. Since the above petition does not specify the percentage nor the dimension of the Company's grounds that is to be expropriated, no approximate estimation can be made on the relevant amount of compensation at the present stage.

7. TRADE RECEIVABLES

	30.06.2008	31.12.2007
Clients - Lessees	46.856,63	190.375,79
TOTAL	**46.856,63**	**190.375,79**

8. OTHER RECEIVABLES

	30.06.2008	31.12.2007
Other Debtors	57.709,72	15.313,38
Prepaid Expenses	59.682,53	4.207,65
Income from interest	59.767,12	65.897,56
TOTAL	**177.159,37**	**85.418,59**

9. SUPPLIERS AND OTHER LIABILITIES

	30.06.2008	31.12.2007
Stamp duty	119.193,81	248.569,74
Liabilities to associates	289.154,59	290.799,73
Dividends paid	10.874,95	7.343,76
Other creditors	366.004,97	61.543,31
Total	**785.228,32**	**608.256,54**

10. INCOME TAX

From 01.01.2007, the Company is subject to an annual tax determined by reference to the fair value of investment properties and cash and cash equivalents at the tax rate of 10% of the aggregate ECB reference rate plus 1% (the taxation formula is as follows: 10% X (ECB reference rate + 1%)). There is no deferred tax applicable on the investments. The tax amount of €280.916,56 regards tax provision for the period 01.01 – 30.06.2008, based on the investments and the available funds on 30.06.2008.

11. INVESTMENT PROPERTY OPERATING EXPENSES

The operating expenses for investment property are made up as follows:

	01.01 – 30.06.2008	01.01 – 30.06.2007
Property & facility management fees	149.575.88	149.892,96
Evaluation fees	41.434,80	38.700,00
Insurance	69.788,96	67.032,96
Levies and maintenance	54.222,60	40.863,27
Other expenses	81.130,78	163,85
Total	**396.153,02**	**296.653,04**

12. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	01.01 – 30.06.2008	01.01 – 30.06.2007
Taxes and duties	106.740,46	116.307,64
Publishing expenses	19.099,01	20.177,15
Administration fees	21.592,50	30.769,26
Rent	600,00	600,00
Third party fees	363.435,52	377.374,40
Write off of doubtful clients	0,00	300.000,00
Tax audit differences	0,00	46.958,00
Other expenses	34.119,96	30.601,35
Total	**545.587,45**	**922.787,80**

13. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated based on after tax profit divided by weighted average number of shares.

	01.01 – 30.06.2008	01.01 – 30.06.2007
Profits after taxes (amounts in €)	5.893.867,35	4.964.223,06
Weighted average number per share	54.888.240	54.888.240
Basic and diluted earning per share (amounts in €)	0,1074	0,0904

14. DIVIDENDS PER SHARE

A dividend in respect of 2007 of €0.13 per share, amounting to a total dividend of €7.135.471,20 was appproved by the Annual General Assembly by the Board of Directors, which took place on 23.04.2008. The date of commencement of the dividend payment was 08.05.2008.

15. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither pending legal actions against company nor contingent liabilities that would affect company's performance on 30.06.2008.

16. POST BALANCE SHEET EVENTS

There are no post balance sheet events that would have a significant effect on Company's Financial Statements.

17. SEASONALITY

The Company's rental income is not subject to seasonal fluctuations.

Athens, 29 July 2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER
THEODOROS N. PANTALAKIS	KONSTANTINOS A. CHRYSSIKOS	IOANNIS A. LETSIOS

PIRAEUS REAL ESTATE INVESTMENT COMPANY (PIRAEUS R.E.I.C.)

S.A. REF. No 44485/06/B/99/9

HEAD OFFICES : 5, Korai str., 105 64 Athens

Data and Information for the period
from 01 January 2008 to 30 June 2008

(in accordance with the HCMC decision 6/448/11.10.2007)

The following data and information deriving from the financial statements, aim at providing general information on the financial standing and the financial results of PIRAEUS R.E.I.C.. We, therefore, recommend the reader, before proceeding to any kind of of investment or other transaction with the company, to look to the company's website www.piraeusaeeap.gr, where all periodical financial statements under the IFRS together with the Audit report of the external Auditor (when necessary) are presented.

Date of approval of Financial Statements : 29.07.2008	Audit Firm : PRICEWATERHOUSECOOPERS
Certified Auditor Accountant : Vassilios Goutis	Auditor's Opinion : Unqualified

1.1. BALANCE SHEET INFORMATION

Amounts in €

	30.06.2008	31.12.2007
ASSETS		
Own-used tangible assets	832,71	1.126,83
Investment Property	94.015.564,00	99.717.252,00
Intangible Assets	435,20	571,88
Other non-current assets	36.128,56	36.128,56
Trade receivables	46.856,63	190.375,79
Other current assets	177.159,37	85.418,59
Cash & Cash equivalents	18.351.060,29	13.644.172,47
TOTAL ASSETS	**112.628.036,76**	**113.675.046,12**
NET EQUITY & LIABILITIES		
Share Capital	62.023.711,20	62.023.711,20
Other Equity	49.422.886,44	50.664.490,29
Total Net Equity (a)	111.446.597,64	112.688.201,49
Provisions/Other non-current liabilities	115.294,24	95.548,98
Other current liabilities	1.066.144,88	891.295,65
Total Liabilities (b)	1.181.439,12	986.844,63
TOTAL NET EQUITY & LIABILITIES (a) + (b)	**112.628.036,76**	**113.675.046,12**

1.2. INCOME STATEMENT INFORMATION

Amounts in €

	01.01-30.06.2008	01.01-30.06.2007	01.04-30.06.2008	01.01-30.06.2007
Rental Income	3.756.645,45	4.029.326,02	1.860.198,69	2.017.311,47
Result from fair value adjustment of investment property	2.255.606,56	2.273.274,00	1.272.374,69	1.136.637,00
Result from sale of investment property	830.743,00	0,00	830.743,00	0,00
Less: operating expenses	(396.153,02)	(296.653,04)	(225.276,79)	(129.041,48)
Gross Result from investing activity	**6.446.841,99**	**6.005.946,98**	**3.738.039,59**	**3.024.906,99**
Earnings before interest & taxes	5.868.142,49	5.049.534,49	3.472.319,75	2.400.205,35
Earnings before tax	6.174.783,91	5.231.859,72	3.627.290,21	2.491.241,35
Earnings after tax	**5.893.867,35**	**4.964.223,06**	**3.490.993,76**	**2.358.091,32**
Earnings per share (after tax) (in €)	0,1074	0,0904	0,0636	0,0430
Earnings before interest, tax & depreciation	5.868.573,29	5.049.985,44	3.472.535,15	2.400.423,22

1.3. STATEMENT OF CHANGES IN NET EQUITY

Amounts in €

	30.06.2008	30.06.2007
Equity at the beginning of the period (01.01.2008 & 01.01.2007)	112.688.201,49	110.240.827,83
Profit after tax for the period	5.893.867,35	4.964.223,06
Dividends paid	(7.135.471,20)	(6.751.253,52)
Equity at the end of the period (30.06.2008 & 30.06.2007)	**111.446.597,64**	**108.453.797,37**

Athens, 29 July 2008

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER
THEODOROS PANTALAKIS	KONSTANTINOS CHRYSSIKOS	IOANNIS A. LETSIOS

1.4. CASHFLOW STATEMENT INFORMATION

Amounts in €

	01.01-30.06.2008	01.01-30.06.2007
Cashflows from operating activities		
Profits before tax (continuing operations)	6.174.783,91	5.231.859,72
Add/Less adjustments for:		
Depreciations	430,80	450,95
Provisions	1.527,48	301.684,00
Gains from adjustment to fair values	(2.255.606,56)	0,00
Gains from sale of investment property	(830.743,00)	(2.273.274,00)
Results (income, expenses, profits & losses) from investing activities	(306.641,42)	(182.325,23)
Add/Less adjustments related to working capital or operating activities:		
Acquisition of investment property	(891.962,44)	0,00
Income from sale of investment property	9.680.000,00	0,00
(Increase) in receivables	51.778,38	(221.638,18)
Increase in liabilities (banks not included)	191.658,37	(120.706,86)
Less :		
Tax expenses	(283.039,11)	(164.615,73)
Net Cash from operating activities (a)	**11.532.186,41**	**2.571.434,67**
Cashflows from investing activities		
Acquisition of intangible assets	0,00	(331,50)
Interest income	306.641,42	182.325,23
Net Cash from investing activities (b)	**306.641,42**	**181.993,73**
Cashflows from financing activities		
Dividend paid	(7.131.940,01)	(152,21)
Net cash from financing activities (c)	**(7.131.940,01)**	**(152,21)**
Net increase in cash & cash equivalents (a)+(b)+©	**4.706.887,82**	**2.753.276,19**
Cash & cash equivalents at the beginning of period	**13.644.172,47**	**10.654.465,96**
Cash & cash equivalents at the end of period	**18.351.060,29**	**13.407.742,15**

Additional Data & Information

1. The accounting policies adopted by the Company according to the IFRS have been applied.
2. Tax authorities have audited Company's tax position for the years up to and including 2005.
3. The financial statements of the Company are included: a) in the consolidated financial statements of the listed at the ASE "PIRAEUS BANK S.A." which owned on 30.06.2008 percentage of 38,78% of the share capital of the Company with the full method of consolidation and b) in the consolidated financial statements of the listed at the ASE "PASAL DEVELOPMENT S.A." which owned on 30.06.2008 percentage of 37,08% of the share capital of the Company, with the net equity method.
4. Property, plant & equipment are free of any liens or encumbrances.
5. There are no disputes under litigation or arbitration, which will affect the Company's financial position.
6. The number of employees of the Company on 30.06.2008 was 2, the same with 30.06.2007.
7. The amoumt of sales & purchases of the Company from 01.01 to 30.06.2008 and the balances of receivables and liabilities on 30.06.2008 from transactions with affiliated companies (companies of Piraeus Bank Group), and members of the board are as follows:

	AMOUNTS IN €
a) Income	3.106.508,10
b) Costs	511.626,75
c) Receivables	18.348.507,25
d) Liabilities	289.154,59
e) Transactions and remunerations of Board members	21.592,50
f) Receivables from Board members	0,00
g) Liabilities to Board members	0,00

8. In the income statement last year's information have been restated so as a) to be comparable with last year's information which are shown according to HCMC's Dec. #34.
9. In the sum "Provisions/Other non-current Liabilities" are included provisions concerning retirement benefit obligations amounting to €13.191,48 on 30.06.2008. No other provision has been included apart from the above mentioned. Specifically, no provisions have been included for the unaudited fiscal years from 2006, since the Management assesses that, due to the special taxation system applying to the Company (as a REIC, it is taxed on its assets and not on its profits), no tax discrepancies will arise from the audit of the accounts.