PIRAEUS R.E.I.C.

Financial Statements

31 December 2006

According to the International Financial Reporting Standards

The attached financial statements have been approved by Piraeus R.E.I.C. Board of Directors on 26.01.2007 and they are available in the web site of Piraeus R.E.I.C. at www.piraeusaeeap.gr

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BALANCE SHEET

	Note	31.12.2006	31.12.2005
ASSETS			
Non – Current Assets			
Tangible Assets	7	1,768.39	25,870.42
Intangible Assets	8	480.57	-
Investments Property	6	99,928,635.00	90,956,994.39
Other receivables	10	36,128.56	39,830.10
		99,967,012.52	**91,022,694.91**
Current Assets			
Trade receivables	9	243,141.81	299,441.15
Other receivables	10	199,019.00	90,579.04
Cash and cash equivalents	11	10,654,465.96	19,006,933.52
		11,096,626.77	**19,396,953.71**
TOTAL ASSETS		**111,063,639.29**	**110,419,648.62**
LIABILITIES			
EQUITY			
Share Capital	13	62,023,711.20	49,898,400.00
Share Premium	13	163,190.75	12,436,157.41
Reserves	14	1,090,233.40	840,013.29
Retained earnings	15	46,963,692.48	46,509,650.45
TOTAL EQUITY		1110,240,827.83	**109,684,221.15**
Non – current liabilities			
Retirement benefit obligations	16	8,296.00	10,994.67
Other non-current liabilities	17	83,884.98	0.00
		92,180.98	**10,994.67**
Current liabilities			
Suppliers and other liabilities	18	566,014.75	411,033.11
Income tax	19	164,615.73	313,399.69
		730,630.48	**724,432.80**
TOTAL LIABILITIES		**822,811.46**	**735,427.47**
TOTAL EQUITIES AND LIABILITIES		**111,063,639.29**	**110,419,648.62**

The notes on pages 7 to 17 are an integral part of these financial statements.

INCOME STATEMENT

	Note	31.12.2006	31.12.2005
Income from leased assets	20	7,776,749.85	5,918,932.20
Gains from adjustments to fair value	6	1,265,372.22	4,167,296.82
Losses from sale of investment properties	6	688,459.39	(67,212.97)
Interest Income		346,671.50	487,075.26
Total Operating Income		**10,077,252.96**	**10,506,091.31**
Investment property operating expenses	21	(442,700.49)	(372,582.70)
Staff costs	22	(73,253.84)	(125,648.63)
Other operating expenses	23	(974,232.41)	(518,584.12)
Depreciation	7,8	(26,031.77)	(4,178.08)
Total Operating Expenses		**(1,516,218.51)**	**(1,020,993.53)**
Profit Before Income Tax		**8,561,034.45**	**9,485,097.78**
Income tax expense	19	(336,772.31)	(313,399.69)
Profit for the Period		**8,224,262.14**	**9,171,698.09**
Earnings per Share (in €)			
Basic & Diluted	24	0.15	0.17

The notes on pages 7 to 17 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2005		**37,423,800.00**	**-**	**499,692.79**	**44,414,556.87**	**82,338,049.66**
Retained earnings transferred to other reserves		-	-	340,320.50	(340,320.50)	**0.00**
Share Capital Issue		12,474,600.00	13,971,552.00	-	-	**26,446,152.00**
Share Capital issue expenses		-	(1,535,394.59)	-	-	**(1,535,394.59)**
Dividents paid		-	-	-	(6,736,284.01)	**(6,736,284.01)**
Profit for the period 01.01.2005-31.12.2005		-	-	-	9,171,698.09	**9,171,698.09**
Balance as at 31 December 2005		**49,898,400.00**	**12,436,157.41**	**840,013.29**	**46,509,650.45**	**109,684,221.15**
Opening balance as at 1 January 2006		**49,898,400.00**	**12,436,157.41**	**840,013.29**	**46,509,650.45**	**109,684,221.15**
Retained earnings transferred to other reserves				250,220.11	(250,220.11)	**0.00**
Share Capital Issue		12,125,311.20	(12,125,311.20)	-	-	**0.00**
Share Capital issue expenses	13	-	(147,655.46)	-	-	**(147,655.46)**
Dividents paid		-	-	-	(7,520,000.00)	**(7,520,000.00)**
Profit for the period 01.01.2006 – 31.12.2006		-	-	-	8,224,262.14	**8,224,262.14**
Balance as at 31 December 2005		**62,023,711.20**	**163,190.75**	**1,090,233.40**	**46,963,692.48**	**110,240,827.83**

The notes on pages 7 to 17 are an integral part of these financial statements.

CASH FLOW STATEMENT

	Note	31.12.2006	31.12.2005
Cash flows from operating activities			
Profit before tax		8,561,034.45	9,485,097.78
Adjustments to profit before tax :			
Depreciation	7,8	26,031.77	4,178.08
Provisions	16	(2,698.67)	1,820.00
Gains from adjustments to fair values	6	(1,265,372.22)	(4,167,296.82)
Gains/(Loss) from sale of investment property	6	(688,459.39)	67,212.97
Results (income, expenses, profits & losses) from investing activities		(346,671.50)	(487,075.26)
Debit Interest & other related expenses		-	-
Adjustments related to working capital or operating activities :			
Acquisition of investment property	6	(9,117,809.00)	(27,979,095.79)
Income from sale of investment property	6	2,100,000.00	8,000,000.00
(Increase) /Decrease in receivables		(48,439.08)	1,716,818.10
(Decrease) / Increase in liabilities (banks not included)		236,551.10	(634,843.72)
Less :			
Tax expenses		(485,556.27)	(227,323.65)
Net cash from operating activities		(1,031,388.81)	(14,220,508.31)
Cash flows from investing activities			
Acquisition of tangible or intangible assets	7,8	(2,410.31)	-
Interest Income		346,671.50	480,867.90
Net cash from investing activities		344,261.19	480,867.90
Cash flows from financing activities			
Income from share capital issue		-	26,446,152.00
Share capital issue expenses	13	(147,655.46)	(1,535,394.59)
Dividends paid		(7,517,684.48)	(6,737,040.42)
Net cash from financing activities		(7,665,339.94)	18,173,716.99
Net (decrease)/ increase in cash and cash equivalents		**(8,352,467.56)**	**4,434,076.58**
Cash and cash equivalents at beginning of period		**19,006,933.52**	**14,572,856.94**
Cash and cash equivalents at end of period	11	**10,654,465.96**	**19,006,933.52**

The notes on pages 7 to 17 are an integral part of these 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 38.17% participation stake in its share capital. The attached financial statements have been approved by the Company's Board of Directors and are under the approval of the General Assembly of its Shareholders.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES OF THE COMPANY

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of presentation of the financial statements

These financial statements were prepared according to the International Financial Reporting Standards (IFRS) and interpretations that have been adopted by the European Union and their implementation is obligatory for the preparation of the financial statements for periods ended after 01.01.2005.

The main principle for the preparation of the financial statements is the historical cost convention, as modified by the revaluation of the available for sale portfolio of financial assets. The preparation of the financial statements in conformity with IFRS requires the use of estimates, accounting policies and assumptions which affect the reported assets and liabilities, the recognition of contingent liabilities, as well as the recognition of income and expenses in the financial statements. The financial statements present the fair value of a company's financial position as at the date of their preparation.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. 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 3.

The Company has not made early adoption of any International Accounting Standard.

2.2. Foreign Currencies

Financial statements are presented in euros, which is Company's functional currency. Company keeps accounting books in euros. Transactions denominated in foreign currencies are measured on a daily basis according to the existing foreign exchange rates. At the end of the period, assets and liabilities denominated in foreign currencies are translated into euros using the exchange rates prevailing at the date of preparation of the financial statements. Gains or losses from exchange differences are included in the income statement.

2.3. Tangible Assets

All property, plan and equipment, improvements on leased assets, motor vehicles, furniture and equipment are recorded at the historical cost less received grants, accumulated depreciation and contingent impairments. Depreciation is calculated with the straight-line depreciation method, to allocate the cost of each asset to its residual value over its estimated useful life. Depreciation rates used in the straight-line depreciation method are as follows:

	Depreciation rates
Leasehold improvements	Shortest duration between useful life and period of leasing
Furniture and other equipment	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. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.4. Intangible Assets

Intangible assets comprise mainly of software and are valued at acquisition cost. Subsequently, intangible assets are valued at that amount, less amortization and less impairment. Amortization is calculated according to the straight-line method. Useful life is 3-4 years.

2.5. Investment Property

Company classifies land and buildings owned by the Company and held for investment purposes (i.e. earn rentals or for capital appreciation or for both) as investment property.

Investment property is measured initially at cost including released transaction costs. After initial recognition, investment property is valued on a 6-month basis as determined by an independent professionally qualified valuer according to the method of comparative data. In cases where this method cannot be applied company uses the present value method of future cash flows. The above principle applies also in the part of the investment company owns, in cases where company owns part of the investment.

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 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 recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the financial statements.

Subsequent expenditure is charged to the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company 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 that 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 recognized in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses impairment loss, the gain is recognized in the income statement.

Investment property held foe sale without redevelopment is classified as non-current assets held for sale under IFRS 5.

2.6. Leased Assets

In case where the Company is the lessor of building under an operating lease, the assets held under the operating lease are stated and carried in the financial statements like the other -non leased assets- of a similar nature. Lease income of the Company is recognized over the term of the lease. The Company as a lessor does not undertake financing leasing.
In case where the Company is the lessee under an operating lease, the leased income is recorded all in the income statement over the term of the lease. The Company as lessee does not undertake financing leasing.

2.7. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method -for trade receivables with more than 12 months maturity- less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment 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 impairment is recorded as an expense in the income statement.

2.8. Cash and cash equivalents

Cash and cash equivalents are low-risk assets and comprise of balances with less than 3 months maturity from the date of acquisition such as: cash, cash and balances with Banks.

2.9. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

2.10. Employee benefits

Post-retirement benefits to the retirees are in compliance with the Law 2112/20. The liability recognized 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. Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 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.

2.11. Provisions
Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. In case that of economic benefits is confirmed, the asset and the relative income are recorded in the period change takes place. Provisions are reexamined in every balance sheet day and in case the outflow of resources for the settlement of the obligation is not probable, provisions are reversed. Provisions are used only for the initial purpose. Provisions are not recognized for future operating losses. Contingent assets are not recognized unless these are confirmed.

2.12. Impairment of assets
At every balance sheet date, assets that are carried at amortized cost are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is recorded as an expense in the income statement directly, unless another IAS provides for different accounting practice. An impairment loss, which has been recorded in the past, will be reversed in case those assumptions for the recoverable amount have been modified. In that case asset's carrying amount increases to the recoverable amount.

2.13. Dividend distribution
Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which dividends are approved by the company's shareholders.

2.14. Income and expenses recognition
Income and expenses are recognized on an accruals base. More specifically:
- Income from sale of fixed assets is recognized at time of sale.
- Income from leases and interest are recognized when accrued.
- Expenses are recognized when accrued.

2.15. Segment Reporting
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 is subject to risks and returns that are different from those of segments operating in other economic environments. The Company operates in Greece and does not have a secondary segment.

2.16. Related Party Transactions
Related parties are a) Piraeus Bank (Parent Company), b) companies under the supervision of Parent Company, c) members of Board of Directors, d) Close family and financially dependants (husbands, wives, children etc) of the Board of Directors members and Key management personnel. Transactions of similar nature are disclosed together. All transactions with related parties are between knowledgeable, willing parting in an arm's length transaction.

2.17. Deferred Tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Company does not have temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements that would result in deferred tax issue. The company is taxed on 0.3% calculated on the average of six-month investments plus cash and cash equivalents in current prices.

2.18 New accounting standards and IFRIC interpretations
Certain new accounting standards, amendments and IFRIC interpretations have been published, that are mandatory for accounting periods beginning on or after 1 January 2006.

IAS 19 (Amendment) - Employee Benefits: This amendment introduces the option of an alternative recognition approach actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. As the Company does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not participate in any multi-employer plans, adoption of this amendment will impact the format and extent of disclosures presented in the accounts.

IFRS 7, Financial Instruments: Disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007).

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Company will apply IFRS 7 from annual periods beginning on 1 January 2007.

There are no other accounting standards or interpretations published and have not yet been applied, that have an impact on the Company's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

3.1 Critical accounting estimates and assumptions

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:

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 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. FINANCIAL RISK MANAGEMENT

4.1. 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 unfavourable 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.

4.2. Credit Risk

The evaluation of counterparty's creditworthiness plays a key role in establishing transactions, so as to avoid payment delays and bad debts. The Company does not have bank credits due to its institutional framework.

4.3. Interest Rate Risk

Slight changes in interest rates affect operating income and cash flows, since cash equivalents for investments and the interest-bearing receivables depend on the level of Euro interest rates that historically demonstrate low volatility. Projected volatility is also low.

4.4. Liquidity Risk

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

5. 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:

01.01.2006 – 31.12.2006	**Shops**	**Office**	**Gas Stations**	**Garages**	**Unallocated**	**Total**
Income from leases	1,201,048.93	5,639,580.97	786,666.15	149,453.80	0.00	7,776,749.85
Gains from adjustments to fair values	1,159,601.90	407,979.12	878,854.00	(1,181,062.80)	0.00	1,265,372.22
Gains from sale of investment property	0.00	0.00	688,459.39	0.00	0.00	688,459.39
Total income from property	2,360,650.83	6,047,560.09	2,353,979.54	(1,031,609.00)	0.00	9,730,581.46
Net Financial Outcome					346,671,50	346,671.50
Total operating expenses	(68,371.10)	(321,039.68)	(44,781.88)	(8,507.83)	(1,073,518.02)	(1,516,218.51)
Profit before taxes	**2,292,279.73**	**5,726,520.41**	**2,309,197.66**	**(1,040,116.83)**	**(726,846.52)**	**8,561,034.45**
Tax Expense	(52,924.82)	(194,877.55)	(35,887.55)	(20,563.76)	(32,518.63)	(336,772.31)
Profit after taxes	**2,239,354.91**	**5,531,642.86**	**2,273,310.11**	**(1,060,680.59)**	**(759,365.15)**	**8,224,262.14**

31.12.2006						
Segment assets	17,382,551.00	64,005,300.00	11,786,854.00	6,753,930.00	2,248.96	99,930,883.96
Total of claims and cash	393,847.35	0.00	0.00	58,535.03	10,680,372.95	11,132,755.33
Total Assets	17,776,398.35	64,005,300.00	11,786,854.00	6,812,465.03	10,682,621.91	111,063,639.29
Total liabilities	83,884.98	0.00	0.00	0.00	738,926.48	822,811.46

01.01.2005 – 31.12.2005	**Shops**	**Office**	**Gas Stations**	**Garages**	**Unallocated**	**Total**
Losses from sale of investment property	0.00	(67,212.97)	0.00	0.00	0.00	(67,212.97)
Income from leases	625,257.77	4,343,559.76	802,971.09	147,143.58	0.00	5,918,932.20
Gains from adjustments to fair values	(496,676.91)	3,859,345.84	302,000.00	502,627.89	0.00	4,167,296.82
Total income from property	128,580.86	8,135,692.63	1,104,971.09	649,771.47	0.00	10,019,016.05
Net Financial Outcome					487,075.26	487,075.26
Total operating expenses	(5,000.00)	(304,056.62)	(41,000.00)	(23,000.00)	(647,936.91)	(1,020,993.53)
Profit before taxes	**123,580.86**	**7,831,636.01**	**1,063,971.09**	**626,771.47**	**(160,861.65)**	**9,485,097.78**
Tax Expense	(48,814.27)	(142,303.73)	(36,948.00)	(23,804.98)	(61,528.71)	(313,399.69)
Profit after taxes	**74,766.59**	**7,689,332.29**	**1,027,023.08**	**602,966.49**	**(222,390.36)**	**9,171,698.09**

31.12.2005

Segment assets	16,271,424.09	54,434,577.50	12,316,000.00	7,934,992.80	25,870.42	90,982,864.81
Total of claims and cash	0.00	100,000.00	199,441.00	36,128.56	19,101,214.25	19,436,783.81
Total Assets	16,271,424.09	54,534,577.50	12,515,441.00	7,971,121.36	19,127,084.67	110,419,648.62
Total liabilities					735,427.47	735,427.47

6. INVESTMENT PROPERTY

The investments of the company in property are as follows:

	31.12.2006	31.12.2005
Opening Balance	**90,956,994.39**	**66,877,814.75**
Purchases	9,117,809.00	27,979,095.79
Gains from adjustments to fair value	1,265,372.22	4,167,296.82
Cost of sales	(1,411,540.61)	(8,067,212.97)
Closing Balance	**99,928,635.00**	**90,956,994.39**

Purchases of current period are € 9,118 thous. and relate to a) the acquisition of offices in Patra, b) the acquisition of offices in Iraklio Crete and the acquisition of the rest of the property in Kosmopolis Center (Komotini). There are no mortgages on company's assets. The Company has the full ownership, except the case of the building at 81, Syggrou Avenue in Athens, that is jointly owned (50%).

The Company, during this period, sold a gas station for €2,100,000.00.

The Company's investment properties were revalued at 30.06.2006 and 31.12.2006 by independent professionally qualified valuers (S.O.E.), according to L.2778/1999.

7. TANGIBLE ASSETS

2005	Leasehold improvements	Furniture fittings and equipment	Total
Acquisition Cost			
Opening balance	33,739.67	2,193.09	35,932.76
Acquisitions	0.00	253.00	253.00
Sales	0.00	(282.93)	(282.93)
	33,739.67	2,163.16	35,902.83
Accumulated depreciation			
Opening balance	4,547.60	1,726.52	6,274.12
Charge for sales	0.00	(282.80)	(282.80)
Charge for the period	3,812.88	228.21	4,041.09
	8,360.48	1,671.93	10,032.41
Net book value at 31.12.2005	**25,379.19**	**491.23**	**25,870.42**

2006	Leasehold improvements	Furniture fittings and equipment	Total
<u>Acquisition Cost</u>			
Opening balance	33,739.67	2,163.16	35,902.83
Acquisitions	0.00	1,830.68	1,830.68
	33,739.67	3,993.84	37,733.51
<u>Accumulated depreciation</u>			
Opening balance	8,360.48	1,671.93	10,032.41
Charge for the period	25,379.19	553.52	25,932.71
	33,739.67	2,225.45	35,965.12
Net book value at 31.12.2006	**0.00**	**1,768.39**	**1,768.39**

8. INTANGIBLE ASSETS

2006	Software Programs
<u>Acquisition Cost</u>	
Opening balance	0.00
Acquisitions	579.63
	579.63
<u>Accumulated depreciation</u>	
Opening balance	0.00
Charge for the period	99.06
	99.06
Net book value at 31.12.2006	**480.57**

In 2005, the company did not have any intangible assets.

9. TRADE RECEIVABLES

In 2006, the company collected the total amount of its receivables balance at 31.12.2005, which amounted to €299,441.15

	31.12.2006	**31.12.2005**
Receivables from related parties	0.00	100,000.00
Other clients	243,141.81	199,441.15
TOTAL	**243,141.81**	**299,441.15**

10. OTHER RECEIVABLES

Balances of other receivables are as follows:

	31.12.2006	**31.12.2005**
<u>Long term receivables</u>		
Warrants	**36,128.56**	**39,830.10**

Short-term receivables	31.12.2006	31.12.2005
Other debtors	173,119.346	60,391.92
Prepaid expenses	25,899.66	30,187.12
TOTAL	**199,019.00**	**90,579.04**

11. CASH AND CASH EQUIVALENTS

	31.12.2006	31.12.2005
Bank deposits	10,654,465.96	86,933.52
Fixed deposits	0.00	18,920,000.00
TOTAL	**10,654,465.96**	**19,006,933.52**

12. 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.

	31.12.2006		01.01.2006 - 31.12.2006	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	10,223,625.70	166,407.99	5,983,158.93	464,701.47
Other related parties	0.00	76,159.70	0.00	214,632.50
TOTAL	**10,223,625.70**	**242,567.69**	**5,983,158.93**	**679,333.97**

	31.12.2005		01.01.2005 – 31.12 .2005	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	18,990,933.52	0.00	5,306,178.06	5,971.50
Other related parties	100,000.00	44,101.32	0.00	186,688.76
TOTAL	**19,090,933.52**	**44,101.32**	**5,306,178.06**	**192,660.26**

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 1.1.2006 to 31.12.2006, emoluments were € 65,005.48, when for the period 1.1.2005 to 31.12.2005 were € 61,026.15.

13. SHARE CAPITAL

In March 2006 an increase of € 12.125.311,20 in share capital took place by issuing 4,989,840 new shares. Namely, for the amount of € 6.486.792,00, the Company increased the nominal value from € 1,00 to € 1,13 and for the amount of € 5.638.519,20 issued and distributed free shares in the ratio of one (1) new share to ten (10) old ones.

	Number of shares	Share Capital	Share premium	Total
Balance at 01.01.2005	37,423,800	37,423,800.00	-	37,423,800.00
Issue of new ordinary shares	12,474,600	12,474,600.00	13,971,552.00	26,446,152.00
Cost of issuance of share capital			(1,535,394.59)	(1,535,394.59))
Balance at 31.12.2005	**49,898,400**	**49,898,400.00**	**12,436,157.41**	**62,334,557.41**

	Number of shares	Share Capital	Share premium	Total
Balance at 01.01.2006	49,898,400	49,898,400.00	12,436,157.41	62,334,557.41
Issue of new ordinary shares	4,989,840	12,125,311.20	(12,125,311.20)	-
Cost of issuance of share capital			(147,655.46)	(147,655.46)
Balance at 31.12.2006	**54,888,240**	**62,023,711.20**	**163,190.75**	**62,186,901.95**

The total of ordinary shares is 54,888,240 of nominal value €1.13 per share.
All shares issued by the company are fully paid.

14. RESERVES

The reserves are as follows:

	Statutory Reserves	Other Reserves	Reserves Total
Balance as at 1 January 2005	496,817.42	2,875.37	499,692.79
Retained earnings transfer to other reserves	340,320.50	0.00	340,320.50
Balance as at 31 December 2005	**837,137.92**	**2,875.37**	**840,013.29**
Balance at 1 January 2006	837,137.92	2,875.37	840,013.29
Retained earnings transfer to other reserves	250,220.11	0.00	250,220.11
Balance at 31 December 2006	**1,087,358.03**	**2,875.37**	**1,090,233.40**

The statutory reserves have been taped and are available for distribution. The other reserves have not been taped and therefore unavailable for distribution.

15. RETAINED EARNINGS

The retained earnings are fully analysed at the Statement of Changes in Equity.

An amount of € 35,919 thous. that forms a major part of retained earnings, is due to the revaluation of investment property. These earnings can only be realised and distributed to shareholders once the investment property has been sold.

16. RETIREMENT BENEFIT OBLIGATION

The company's liabilities to employees due to retirement or retrenchment with the proportional charge to consolidated income statement are as follows:

	31.06.2006	31.12.2005
Balance as at 1 January	10,994.67	9,174.67
Charge to consolidated income statement	(5,506.67)	1,820.00

Provision from actuarial study	2,808.00	0.00
Balance as at 30 June	**8,296.00**	**10,994.67**

17. OTHER NON-CURRENT LIABILITIES

The other long-term liabilities regard lease warrants , that the company has received, according to the leasing agreements with the lessees.

18. SUPPLIERS AND OTHER LIABILITIES

The current liabilities are analysed as follows:

	31.12.2006	**31.12.2005**
Stamp duty	136,647.80	206,710.46
Liabilities to associates	242,567.69	44,101.32
Dividends paid	4,467.02	2,051.60
Other creditors	39,017.33	158,169.73
Total	**566,014.75**	**411,033.11**

19. INCOME TAX

The company's income tax is calculated using the effective tax rate of 0.3% on the average investment property and cash and cash equivalents. There is no deferred tax applicable on the investments. The tax of €333,772.31 regards tax for the period 01.01.2006-31.12.2006, based on the investments and the available funds on 31.12.2006 and it breaks down to €172,156.58 which regards tax already paid for the 1st semester of 2006 and €164,615.73 which regards tax for the 2nd semester 2006. For the year 2005 the tax was €313,399.69.

20. INCOME FROM LEASED ASSETS

The Company leases out its' investment property for periods between nine to twenty years, according to commercial leasing laws.

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

No later than 1 year	7,949,056.34
Later than 1 year and no later than 5 years	28,267,272.30
Later than 5 years	22,170,825.38
Total	58,387,154.02

21. INVESTMENT PROPERTY OPERATING EXPENSES

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

	01.01 - 31.12.2006	**01.01 - 31.12.2005**
Investment fees	0.00	138,761.48
Trading service fees	213,332.50	21,857.28
Evaluation fees	44,075.00	79,158.40
Insurance	128,038.91	88,248.92
Levies and maintenance	56,786.74	5,056.62
Other expenses	467.34	39,500.00
Total	**442,700.49**	**372,582.70**

22. STAFF COSTS

Staff costs are made up as follows:

	01.01 - 31.12.2006	01.01 - 31.12.2005
Wages and Salaries	60,880.60	103,220.56
Employer contributions	10,924.84	20,338.53
Other expenses	1,448.40	2,089.54
Total	**73,253.84**	**125,648.63**

The number of persons employed by the company on 31.12.2006 was 2 (31.12.2005: 4).

23. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	01.01 - 31.12.2006	01.01 - 31.12.2005
Taxes and duties	227,826.24	73,763.04
Publishing expenses	30,700.82	52,310.59
Administration fees	65,005.48	61,026.15
Rent	13,596.90	45,691.33
Third party fees	564,256.41	199,310.57
Other expenses	72,846.56	86,482.44
Total	**974,232.41**	**518,584.12**

24. 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 - 31.12.2006	01.01 - 31.12.2005
Profits after taxes (amounts in €)	8,224,262.14	9,171,699.09
Weighted average number per share	54,888,240	54,888,240
Basic and diluted earning per share (amounts in €)	0.15	0.17

25. DIVIDENDS PER SHARE

A dividend in respect of 2006 of €0.123 per share, amounting to a total dividend of €6,751,253.52is to be proposed to the Annual General Assembly by the Board of Directors.

The dividend of fiscal year 2005, which amounted to €7,520 thous. was approved by the General Assembly on 30.06.2006 and its distribution began on 28.08.2006.

26. RECLASSIFICATION AND ANALYSIS OF COMPARATIVE SUMS

Some of last year's comparative sums have been further analysed, so as to be directly comparable with those of this year, while in the cash flow statement the amounts of €9,117,809.00 and €2,100,000.00, which regard acquisition and sale of investment properties respectively, have been reclassified from the investment activities to the operating activities.

27. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither pending legal actions against company nor contingent liabilities that would affect company's performance on 30.06.2006.

28. POST BALANCE SHEET EVENTS

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

Athens, 26 January 2006

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER
GEORGIOS A. PROVOPOULOS	IRAKLIS DIM. HORTARIAS	IOANNIS A. LETSIOS

Independent auditor's report

To the Shareholders and Board of Directors of PIRAEUS AEEAP

Report on the Financial Statements

We have audited the accompanying financial statements of PIRAEUS AEEAP , set out in pages 3 to 15, which comprise the balance sheet as of 31 December 2006 and the 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 the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal Requirements
In our opinion, the information given in the Director's report, set out in pages 16 to 17, is consistent with the Financial Statements.

PricewaterhouseCoopers

30 January 2007