



PIRAEUS R.E.I.C.

Condensed Interim Financial Statements

30 June 2007

According to the International Financial Reporting Standards

The attached condensed interim financial statements have been approved by Piraeus R.E.I.C. Board of Directors on 27.07.2007 and they are available in the web site of Piraeus R.E.I.C. at www.piraeusaeep.gr

Index to the Condensed Interim Financial Statements

NOTE

	INTERIM BALANCE SHEET	3
	INTERIM INCOME STATEMENT	4
	INTERIM STATEMENT OF CHANGES IN EQUITY	5
	INTERIM CASH FLOW STATEMENT	6
1.	GENERAL INFORMATION ABOUT THE COMPANY	7
2.	GENERAL ACCOUNTING POLICIES OF THE COMPANY	7
3.	BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS	7
4.	CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS	7
5.	BUSINESS SEGMENTS	7
6.	RELATED PARTY TRANSACTIONS	8
7.	INVESTMENT PROPERTY	10
8.	TRADE RECEIVABLES	10
9.	OTHER RECEIVABLES	10
10.	OTHER LIABILITIES	10
11.	TAX INCOME	10
12.	INVESTMENT PROPERTY OPERATING EXPENSES	11
13.	OTHER OPERATING EXPENSES	11
14.	EARNINGS PER SHARE	11
15.	DIVIDENDS PER SHARE	12
16.	RECLASSIFICATION AND ANALYSIS OF COMPARATIVE SUMS	12
17.	CONTINGENT LIABILITIES AND COMMITMENTS	12
18.	POST BALANCE SHEET EVENTS	12
19.	SEASONALITY	12
20.	COMPARATIVE INCOME STATEMENT FINANCIAL INFORMATION	12
	REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	

INTERIM BALANCE SHEET

	<u>Note</u>	<u>30.06.2007</u>	<u>31.12.2006</u>
ASSETS			
Non – Current Assets			
Tangible Assets		1.420,96	1.768,39
Intangible Assets		708,55	480,57
Investments Property	7	102.201.909,00	99.928.635,00
Other receivables		36,128.56	36.128,56
		102.240.167,07	99.967.012,52
Current Assets			
Trade receivables	8	109.859,35	243.141,81
Other receivables	9	253.939,64	199.019,00
Cash and cash equivalents		13.407.742,15	10.654.465,96
		13.771.541,14	11.096.626,77
TOTAL ASSETS		116.011.708,21	111.063.639,29
LIABILITIES			
EQUITY			
Share Capital		62.023.711,20	62.023.711,20
Share Premium		163.190,75	163.190,75
Reserves		1.438.177,90	1.090.233,40
Retained earnings		44.828.717,52	46.963.692,48
TOTAL EQUITY		108.453.797,37	110.240.827,83
Non – current liabilities			
Retirement benefit obligations		9.980,00	8.296,00
Other non-current liabilities		83.884,98	83.884,98
		93.864,98	92.180,98
Current liabilities			
Suppliers and other liabilities	10	7.196.409,20	566.014,75
Income tax	11	267.636,66	164.615,73
		7.464.045,86	730.630,48
TOTAL LIABILITIES		7.557.910,84	822.811,46
TOTAL EQUITIES AND LIABILITIES		116.011.708,21	111.063.639,29

INTERIM INCOME STATEMENT

	<u>Note</u>	<u>01.01.2007-30.06.2007</u>	<u>01.01.2006-30.06.2006</u>	<u>01.04.2007-30.06.2007</u>	<u>01.04.2006-30.06-2006</u>
Income from leased assets		4.029.326,02	3.828.246,53	2.017.311,47	1.963.484,61
Gains from adjustments to fair values	7,20	2.273.274,00	832.597,70	1.136.637,00	416.298,85
Interest Income		182.325,23	194.530,41	91.036,00	92.249,56
Total Operating Income		6.484.925,25	4.855.374,64	3.244.984,47	2.472.033,02
Investment property operating expenses	12	(296.653,04)	(228.921,01)	(129.041,48)	(169.574,26)
Staff costs		(33.173,74)	(42.567,07)	(17.150,76)	(16.103,71)
Other operating expenses	13	(922.787,80)	(484.101,38)	(607.333,01)	(288.837,53)
Depreciation		(450,95)	(12.865,61)	(217,87)	(11.881,72)
Total Operating Expenses		(1.253.065,53)	(768.455,07)	(753.743,12)	(486.397,22)
Profit Before Income Tax		5.231.859,72	4.086.919,57	2.491.241,35	1.985.635,80
Income tax expense	11	(267.636,66)	(172.156,58)	(133.150,03)	(93.594,58)
Profit for the Period		4.964.223,06	3.914.762,99	2.358.091,32	1.892.041,22
Earnings per Share (in €)					
Basic & Diluted	14	0,09	0,07	0,04	0,05

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
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
Share Capital Issue	12.125.311,20	(12.125.311,20)	-	-	0,00
Share Capital issue expenses	-	(147.655,46)	-	-	(147.655,46)
Dividend paid for year 2005	-	-	-	(7.520.000,00)	(7.520.000,00)
Retained earnings transferred to other reserves	-	-	250.220,11	(250.220,11)	0,00
Profit for the period 01.01.2006-30.06.2006	-	-	-	3.914.762,99	3.914.762,99
Balance as at 30 June 2006	62.023.711,20	163.190,75	1.090.233,40	42.654.193,33	105.931.328,68
Opening balance as at 1 July 2006	62.023.711,20	163.190,75	1.090.233,40	42.654.193,33	105.931.328,68
Profit for the period 01.07.2006 – 31.12.2006	-	-	-	4.309.499,15	4.309.499,15
Balance as at 31 December 2006	62,023,711.20	163,190.75	1,090,233.40	46,963,692.48	110,240,827.83
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 01.01.2007-30.06.2007	-	-	-	4.964.223,06	4.964.223,06
Balance as at 30 June 2007	62.023.711,20	163.190,75	1.438.177,90	44.828.717,52	108.453.797,37

INTERIM CASH FLOW STATEMENT

	01.01.2007-30.06.2007	01.01.2006-30.06.2006
<u>Cash flows from operating activities</u>		
Profit before tax	5.231.998,70	4.086.919,57
<u>Adjustments to profit before tax :</u>		
Depreciation	450,95	12.865,61
Provisions	301.684,00	(5.506,67)
Gains from adjustments to fair values	(2.273.274,00)	(832.597,70)
Results (income, expenses, profits & losses) from investing activities	(182.325,23)	(194.530,41)
<u>Adjustments related to working capital or operating activities :</u>		
Acquisition of investment property	-	(9.104.471,91)
(Increase) /Decrease in receivables	(221.638,18)	165.775,76
(Decrease) / Increase in liabilities (banks not included)	(120.706,86)	171.264,11
Less :		
Tax expenses	(164.615,73)	(313.399,69)
Net cash from operating activities	2.571.434,67	(6.013.681,33)
<u>Cash flows from investing activities</u>		
Acquisitions of tangible & intangible as-sets	(331,50)	(2.410,31)
Interest Income	182.325,23	194.530,41
Net cash from investing activities	181.993,73	192.120,10
<u>Cash flows from financing activities</u>		
Share capital issue expenses	-	(147.655,46)
Dividends paid	(152,21)	-
Net cash from financing activities	(152,21)	(147.655,46)
Net (decrease)/ increase in cash and cash equivalents	2.753.276,19	(5.969.216,69)
Cash and cash equivalents at beginning of period	10.654.465,96	19.006.933,52
Cash and cash equivalents at end of period	13.407.742,15	13.037.716,83

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 38.30% participation stake in its share capital on 30.06.2007. The attached financial statements have been approved by the Company's Board of Directors on 25.07.2007.

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 31.12.2006. The Company is adopting the IFRS 7 from 01.01.2007 and the financial statements for the year ending 2007 will be prepared according to the requirements of IFRS 7.

3. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

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 31.12.2006.

4. 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:

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.

5. BUSINESS SEGMENTS

The Company has identified the following business segments:

- Shops
- Offices
- Gas stations
- Garages

The Company operates only in the Greek market and consequently there is not an analysis in secondary business segments.

Segment results are as follows:

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

Piraeus R.E.I.C. – 30 June 2007
Amount in euros (Unless otherwise stated)

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	(39.905,19)	(152.449,32)	(27.927,98)	(16.150,00)	(31.204,26)	(267.636,66)
Profit after taxes	418.362,76	4.469.523,87	599.561,28	282.066,72	(805.291,52)	4.964.223,06

30.06.2007

Segment assets	17.249.714,00	65.898.742,00	12.072.343,00	6.981.110,00	2.129,51	102.204.038,51
Total of claims and cash	251.560,23	0,00	0,00	67.539,69	13.488.569,78	13.807.669,70
Total Assets	17.501.274,23	65.898.742,00	12.072.343,00	7.048.649,69	13.490.699,29	116.011.708,21
Total liabilities	83.884,98	0,00	0,00	0,00	7.474.025,86	7.557.910,84

01.01.2006 – 30.06.2006

	Shops	Office	Gas Stations	Garages	Unallocated	Total
Income from leases	555.942,95	2.784.142,57	414.002,67	74.558,34	0,00	3.828.246,53
Gains from adjustments	1.210.606,38	168.866,12	769.871,00	(1.316.745,80)	0,00	832.597,70
Total income from property	1.766.149,33	2.953.008,69	1.183.873,67	(1.242.187,46)	0,00	4.660.844,23
Net Financial Outcome	0,00	0,00	0,00	0,00	194.530,41	194.530,41
Total operating expenses	(33.220,29)	(166.485,81)	(24.756,48)	(4.458,43)	(539.534,06)	(768.455,07)
Profit before taxes	1.732.929,04	2.786.522,88	1.159.117,19	(1.246.645,89)	(345.003,65)	4.086.919,57
Tax Expense	(26.263,74)	(96.118,09)	(19.725,01)	(9.976,03)	(20.073,71)	(172.156,58)
Profit after taxes	1.706.665,30	2.690.404,79	1.139.392,18	(1.256.621,92)	(365.077,36)	3.914.762,99

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

6. 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.

	30.06.2007		01.01.2007 - 30.06.2007	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	13.343.156,31	193.237,00	3.125.545,93	325.434,66
Other related parties	0,00	96.110,92	0,00	185.125,96
TOTAL	13.343.156,31	289.347,92	3.125.545,93	510.560,62

	<u>31.12.2006</u>		<u>01.01.2006 – 30.06.2006</u>	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	10.223.625,70	166.407,99	2.975.569,30	185.261,77
Other related parties	0,00	76.159,70	0,00	114.473,00
TOTAL	10.223.625,70	242.567,69	2.975.569,30	299.734,77

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 1.1.2007 to 30.06.2007, emoluments were € 30.769,26, when for the period 1.1.2006 to 30.06.2006 were € 32.502,76.

7. INVESTMENT PROPERTY

The investment property of the company is analysed as follows:

	<u>30.06.2007</u>	<u>31.12.2006</u>
OPENING BALANCE	99.928.635,00	90.956.994,39
Acquisitions	0,00	9.117.809,00
Gains form adjustments to fair values	2.273.274,00	1.265.372,22
Cost of sales	0,00	(1.411.540,61)
CLOSING BALANCE	102.201.909,00	99.928.635,00

The investment property is free of any liens or encumbrances.

The real estate property valuation was conducted by the Chartered Actuaries/Surveyors on 30.06.2007, according to the requirements of Law 2778/99.

8. TRADE RECEIVABLES

	<u>30.06.2007</u>	<u>31.12.2006</u>
Customers – Lessees	409.859,35	243.141,81
Less: Provisions	(130.000,00)	0,00
TOTAL	279.859,35	243.141,81

9. OTHER RECEIVABLES

	<u>30.06.2007</u>	<u>31.12.2006</u>
Other customers	188.594,59	173.119,34
Next period's expenses	65.345,05	25.899,66
Less: Provisions	(170.000,00)	0,00
TOTAL	83.939,64	199.019,00

10. OTHER LIABILITIES

	<u>30.06.2007</u>	<u>31.12.2006</u>
Stamp Duty	143.093,63	279.962,71
Liabilities to related parties	289.347,92	242.567,69
Dividends paid	6.755.568,33	4.467,02
Other creditors	8.399,32	39.017,33
TOTAL	7.196.409,20	566.014,75

11. INCOME TAX

From 01.01.2007, the company's income tax is calculated using the effective tax rate of 0.475% (and not 0.3% that was used on 31.12.2006), on the average 6-month investment property and cash and cash equivalents. There is no deferred tax applicable on the investments. The tax amount of €267.636,66 regards the tax for the period 01.01 - 30.06.2007, based on the investments and the available funds on 30.06.2007.

12. INVESTMENT PROPERTY OPERATING EXPENSES

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

	01.01 - 30.06.2007	01.01 - 30.06.2006
Property & facility management fees	149.892,96	85.333,00
Evaluation fees	38.700,00	4.725,00
Insurance	67.032,96	121.327,72
Levies and maintenance	40.863,27	17.137,80
Other expenses	163,85	397,49
Total	296.653,04	228.921,01

The property & facility management fees are higher than last period, because they concern 6-month fees, while last period's fees concerned 4-month fees.

13. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	01.01 – 30.06.2007	01.01 – 30.06.2006
Taxes and duties	116.307,64	131.561,74
Publishing expenses	20.177,15	20.428,51
Administration fees	30.769,26	32.502,76
Rent	600,00	12.996,90
Third party fees	377.374,40	214.668,17
Provisions	300.000,00	-
Other expenses	77.559,35	71.943,30
Total	922.787,80	484.101,38

Third party fees, which mainly concern consulting services fees of Piraeus Bank, are higher than last period because they represent 6-month fees and not 4-month as last period.

14. 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 – 30.06.2007	01.01 – 30.06.2007
Profits after taxes (amounts in €)	4.964.223,06	3.914.762,99
Weighted average number per share	54.888.240	53.224.960
Basic and diluted earning per share (amounts in €)	0,09	0,07

15. DIVIDENDS PER SHARE

A dividend in respect of 2006 of €0.123 per share, amounting to a total dividend of €6,751,253.52 has been approved by the Annual General Assembly by the Board of Directors, which took place on 29.06.2007. The date of commencement of the dividend payment is 29.08.2007.

16. RECLASSIFICATION AND ANALYSIS OF COMPARATIVE SUMS

In the cash flow statement the amount of €9.104.471,91, which regards acquisition of investment property has been reclassified from the investment activities to the operating activities, so as to be comparable with last year's sums.

17. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither pending legal actions against company nor contingent liabilities that would affect company's performance on 30.06.2007

18. POST BALANCE SHEET EVENTS

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

19. SEASONALITY

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

20. COMPARATIVE INCOME STATEMENT FINANCIAL INFORMATION

The current period comparative income statement financial information for the three month period ended 31 March 2007 has been restated to show the effects of the net gain from the change on the fair value of the Company's investment property attributable to such period based on management's assessment of the market conditions in existence, at the end of each balance sheet date instead of recognising such gains in the second quarter when they are supported by independent appraisals. The effect of this restatement has resulted in an increase in net income for the quarter ended 31.03.2007 of €1.136.637,00 and an increase in investment properties, current income tax liabilities and shareholders' equity as of 31.03.2007 by €1.136.637,00, € 1.350,00 and €1.135.287,00 respectively.

The prior period comparative income statement financial information for the three month period ended 31 March 2006 has been restated to show the effects of the net gain from the change on the fair value of the Company's investment property attributable to such period based on management's assessment of the market conditions in existence, at the end of each balance sheet date instead of recognising such gains in the second quarter when they are supported by independent appraisals. The effect of this restatement has resulted in an increase in net income for the quarter ended 31.03.2006 of €416.298,85 and an increase in investment properties, current income tax liabilities and shareholders' equity as of 31.03.2006 by €416.298,85, € 312,00 and €415.986,85 respectively.

Athens, 27 July 2007

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

TRANSLATED FROM THE ORIGINAL GREEK TEXT

Report on Review of Interim Condensed Financial Information

To the Shareholders and Board of Directors of the Piraeus AEEAP

Introduction

We have reviewed the accompanying condensed balance sheet of Piraeus AEEAP as of 30 June 2007 and the related condensed statements of income, changes in equity and cash flows for the period then ended, as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. 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. 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.

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 International Accounting Standard 34 "Interim Financial Reporting".

Athens, 30 July 2007

The Chartered Auditor Accountant

Vassilios Goutis

SOEL Reg. No.: 10411

PRICEWATERHOUSECOOPERS 