

PIRAEUS R.E.I.C.

Condensed Interim Financial Statements

31 March 2006

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 25.04.2007 and they are available in the web site of Piraeus R.E.I.C. at www.piraeusaeep.gr

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INTERIM BALANCE SHEET

	<u>Note</u>	<u>31.03.2007</u>	<u>31.12.2006</u>
ASSETS			
Non – Current Assets			
Tangible Assets		1.578,78	1,768.39
Intangible Assets		437,10	480.57
Investments Property		99,928,635.00	99,928,635.00
Other receivables		36,128.56	36,128.56
		99.966.779,44	99,967,012.52
Current Assets			
Trade receivables		256.172,77	243,141.81
Other receivables		336.848,83	199,019.00
Cash and cash equivalents		12.186.419,66	10,654,465.96
		12.779.441,26	11,096,626.77
TOTAL ASSETS		112.746.220,70	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		48.086.592,72	46,963,692.48
TOTAL EQUITY		111.711.672,57	1110,240,827.83
Non – current liabilities			
Retirement benefit obligations		8,296.00	8,296.00
Other non-current liabilities		83,884.98	83,884.98
		92,180.98	92,180.98
Current liabilities			
Suppliers and other liabilities		809.230,52	566,014.75
Income tax	7	133.136,63	164,615.73
		942.367,15	730,630.48
TOTAL LIABILITIES		1.034.548,13	822,811.46
TOTAL EQUITIES AND LIABILITIES		112.746.220,70	111,063,639.29

The notes on pages 6 to 9 are an integral part of these condensed interim financial statements.

INTERIM INCOME STATEMENT

	<u>Note</u>	<u>01.01.2007-31.03.2007</u>	<u>01.01.2006-31.03.2006</u>
Income from leased assets		2.012.014,55	1.864.761,92
Interest Income		<u>91.289,23</u>	<u>102.280,85</u>
Total Operating Income		2.103.303,78	1.967.042,77
Investment property operating expenses	8	(167.611,56)	(59.346,75)
Staff costs		(16.022,98)	(26.463,36)
Other operating expenses	9	(315.454,79)	(195.263,85)
Depreciation		<u>(233,08)</u>	<u>(983,89)</u>
Total Operating Expenses		(499.322,41)	(282.057,85)
Profit Before Income Tax		1.603.981,37	1.684.984,92
Income tax expense	7	<u>(133.136,63)</u>	<u>(78.250,00)</u>
Profit for the Period		<u>1.470.844,74</u>	<u>1.606.734,92</u>
Earnings per Share (in €)			
Basic & Diluted	10	0.03	0.03

The notes on pages 6 to 9 are an integral part of these condensed interim financial statements.

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)
Profit for the period 01.01.2006-31.03.2006	-	-	-	1.606.734,92	1.606.734,92
Balance as at 31 March 2006	62.023.711,20	163.190,75	840,013.29	48.116.385,37	111.143.300,61
Opening balance as at 1 April 2006	62.023.711,20	163.190,75	840,013.29	48.116.385,37	111.143.300,61
Retained earnings transferred to other reserves	-	-	250.220,11	(250.220,11)	0,00
Dividends paid	-	-	-	(7.520.000,00)	(7.520.000,00)
Profit for the period 01.04.2006 – 31.12.2006	-	-	-	6.617.527,22	6.617.527,22
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 2006	62,023,711.20	163,190.75	1,090,233.40	46,963,692.48	110,240,827.83
Retained earnings transferred to other reserves	-	-	347.944,50	(347.944,50)	0,00
Profit for the period 01.01.2007-31.03.2007	-	-	-	1.470.844,74	1.470.844,74
Balance as at 31 March 2007	62.023.711,20	163.190,75	1.437.177,90	48.086.592,72	111.711.672,57

The notes on pages 6 to 9 are an integral part of these condensed interim financial statements.

INTERIM CASH FLOW STATEMENT

	01.01.2007-31.03.2007	01.01.2006-31.03.2006
<u>Cash flows from operating activities</u>		
Profit before tax	1.603.981,37	1.684.984,92
<u>Adjustments to profit before tax :</u>		
Depreciation	233,08	983,89
Results (income, expenses, profits & losses) from investing activities	(91.289,23)	(102.280,85)
<u>Adjustments related to working capital or operating activities :</u>		
Acquisition of investment property	-	(5.817.950,11)
(Increase) /Decrease in receivables	(150.860,79)	(136.356,21)
(Decrease) / Increase in liabilities (banks not included)	243.367,98	54.873,10
Less :		
Tax expenses	(164.615,73)	(313.399,69)
Net cash from operating activities	(1.440.816,68)	(4.629.144,95)
<u>Cash flows from investing activities</u>		
Interest Income	91.289,23	102.280,85
Net cash from investing activities	91.289,23	102.280,85
<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	1.531.953,70	(4.674.519,56)
Cash and cash equivalents at beginning of period	10.654.465,96	19.006.933,52
Cash and cash equivalents at end of period	12.186.419,66	14.332.413,96

The notes on pages 6 to 9 are an integral part of these condensed interim 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 38.23% participation stake in its share capital on 31.03.2007. The attached financial statements have been approved by the Company's Board of Directors on 25.04.2007.

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 – 31.03.2007	Shops	Offices	Gas Stations	Garages	Unallocated	Total
Income from leases	322.343,25	1.470.003,68	181.326,45	38.341,17	0,00	2.012.014,55
Total income from property	322.343,25	1.470.003,68	181.326,45	38.341,17	0,00	2.012.014,55

Piraeus R.E.I.C. – 31 March 2007
Amount in euros (Unless otherwise stated)

Net Financial Outcome	0,00	0,00	0,00	0,00	91.289,23	91.289,23
Total operating expenses	(26.852,91)	(122.459,16)	(15.105,46)	(3.194,02)	(331.710,85)	(499.322,41)
Profit before taxes	295.490,34	1.347.544,52	166.220,99	35.147,15	(240.421,62)	1.603.981,37
Tax Expense	(20.640,87)	(76.002,96)	(13.996,28)	(8.019,94)	(14.476,58)	(133.136,63)
Profit after taxes	274.849,46	1.271.541,56	152.224,71	27.127,21	(254.898,20)	1.470.844,74

31.03.2007

Segment assets	17,382,551.00	64,005,300.00	11,786,854.00	6,753,930.00	2.015,88	99,930.655,88
Total of claims and cash	475.933,14	68.564,54	12.198,28	67.539,69	12.191.334,17	12.815.569,82
Total Assets	17.858.484,14	64.073.864,54	11.799.052,28	6.821.469,69	12.193.350,05	112.746.220,70
Total liabilities	83.884,98	0,00	0,00	0,00	950.663,15	1.034.548,13

01.01.2006 – 31.03.2006

	Shops	Office	Gas Stations	Garages	Unallocated	Total
Income from leases	393.621,15	1.256.736,08	202.644,48	11.760,21	0,00	1.864.761,92
Total income from property	393.621,15	1.256.736,08	202.644,48	11.760,21	0,00	1.864.761,92
Net Financial Outcome	0,00	0,00	0,00	0,00	102.280,85	102.280,85
Total operating expenses	(56.421,33)	(180.243,08)	(29.046,89)	(1.685,70)	(14.660,85)	(282.057,85)
Profit before taxes	337.199,82	1.076.493,00	173.597,59	10.074,51	87.620,00	1.684.984,92
Tax Expense	(15.666,11)	(49.979,80)	(8.065,25)	(468,06)	(4.070,78)	(78.250,00)
Profit after taxes	321.533,71	1.026.513,20	165.532,34	9.606,45	83.549,22	1.606.734,92

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.

	31.03.2007		01.01.2007 - 31.03.2007	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	11.567.668,71	193.537,00	1.561.292,91	162.720,43
Other related parties	0.00	96.110,92	0.00	92.403,48
TOTAL	11.567.668,71	289.647,92	1.561.292,91	255.123,91

	<u>31.12.2006</u>		<u>01.01.2006 – 31.03.2006</u>	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	10.223.625,70	166.407,99	1.466.289,22	46.270,80
Other related parties	0,00	76.159,70	0,00	39.030,00
TOTAL	10.223.625,70	242.567,69	1.460.289,22	85.300,80

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 31.03.2007, emoluments were € 15.384,63, when for the period 1.1.2006 to 31.03.2006 were € 16.251,39.

7. 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 €133.136,63 regards provision for the period 01.01 - 31.03.2007, based on the investments and the available funds on 31.03.2007.

8. INVESTMENT PROPERTY OPERATING EXPENSES

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

	<u>01.01 - 31.03.2007</u>	<u>01.01 - 31.03.2006</u>
Property & facility management fees	74.946,48	24.890,00
Evaluation fees	38.000,00	4.725,00
Insurance	32.949,33	29.731,75
Levies and maintenance	21.615,30	0,00
Other expenses	100,45	0,00
Total	167.611,56	59.346,75

The property & facility management fees are higher than last period, because the concern 3-month fees, while last period's fees concerned 1-month fees.

9. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	<u>01.01 - 31.0.2007</u>	<u>01.01 - 31.03.2006</u>
Taxes and duties	66.388,98	66.955,39
Publishing expenses	16.308,66	16.304,34
Administration fees	15.384,63	16.251,39
Rent	300,00	11.788,95
Third party fees	209.205,66	61.204,36
Other expenses	7.866,86	22.759,49
Total	315.454,79	195.263,92

Third party fees, which mainly concern consulting services fees of Piraeus Bank, are higher than last period because they represent 3-month fees and not 1-month as last period.

10. 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 - 31.03.2007	01.01 - 31.03.2006
Profits after taxes (amounts in €)	1.470.844,74	1.606.734,92
Weighted average number per share	54.888.240	50.730.040
Basic and diluted earning per share (amounts in €)	0,03	0,03

11. DIVIDENDS PER SHARE

A dividend in respect of 2006 of €0.123 per share, amounting to a total dividend of €6,751,253.52 is to be proposed to the Annual General Assembly by the Board of Directors, which will be held on 29.06.2007

12. RECLASSIFICATION AND ANALYSIS OF COMPARATIVE SUMS

In the cash flow statement the amount of € 5.817.950,11, 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.

13. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither pending legal actions against company nor contingent liabilities that would affect company's performance on 31.03.2007

14. POST BALANCE SHEET EVENTS

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

15. SEASONALITY

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

Athens, 25 April 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